

CIRCULAR DATED 12 JUNE 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY

This Circular is issued by Aspial Lifestyle Limited (the “Company”). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of the Company held through The Central Depository (Pte) Limited (the “CDP”), you need not forward this Circular, the Notice of EGM (as defined herein) and the accompanying Proxy Form (as defined herein) to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular, the Notice of EGM and the accompanying Proxy Form to be sent to the purchaser or the transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, the stockbroker or the agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular, together with the Notice of EGM, the accompanying Proxy Form and Request Form (as defined herein), may be accessed via SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company’s website at <https://www.aspiallifestyle.com/investor-relations/>. If you have sold or transferred all your ordinary shares which are not deposited with CDP, you should inform the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee that this Circular, together with the Notice of EGM, the accompanying Proxy Form and Request Form, can be accessed via SGXNet and the Company’s website.

Printed copies of this Circular will NOT be despatched to Shareholders (as defined herein). For Shareholders’ convenience, printed copies of the Notice of EGM, the accompanying Proxy Form and Request Form will be despatched to Shareholders. Shareholders may request for physical copies of this Circular by filling out the Request Form below and return it to the Company by post to the registered office of the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or if by email to aspiallifestyleEGM@aspiallifestyle.com, enclosing a clear scanned completed and signed Request Form, no later than 10.00 a.m. on 19 June 2024.

An application will be made by the Company’s sponsor, SAC Capital Private Limited, to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the Consideration Shares (as defined herein) on the SGX-ST. The Company will make the necessary announcement(s) upon receipt of the listing and quotation notice from the SGX-ST to notify Shareholders of the receipt of such notice and the conditions (if any) on which the grant of such notice by the SGX-ST is subject to.

This Circular has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (+65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Aspial Lifestyle

ASPIAL LIFESTYLE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200806968Z)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) PROPOSED RE-ORGANISATION OF NIESSING GROUP PTE. LTD. AS A DISCLOSEABLE TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND**
- (2) PROPOSED ALLOTMENT OF 140,625,000 CONSIDERATION SHARES (AS DEFINED HEREIN) TO ASPIAL CORPORATION LIMITED**

Financial Adviser to Aspial Lifestyle Limited in relation to the Proposed Re-organisation



SAC Capital Private Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200401542N)

Independent Financial Adviser to the Independent Directors in relation to the Proposed Re-organisation
(being an interested person transaction)



ZICO Capital Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201613589E)

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 24 June 2024 at 10.00 a.m. (Singapore time) |
| Date and time of the EGM | : | 27 June 2024 at 10.00 a.m. (Singapore time) |
| Place of the EGM | : | Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 |

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “ACL”** : Aspial Corporation Limited
- “ACL Shares”** : Has the meaning ascribed to it in Note 1 of paragraph 7.1(b) of the Letter to Shareholders in this Circular
- “ACL Group”** : Has the meaning ascribed to it in paragraph 2.5 of the Letter to Shareholders in this Circular
- “Approved exchange”** : A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules
- “associate”** : (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; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (b) in relation to a Substantial Shareholder or 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 thirty per cent. (30%) or more,
- or such other definition as the Catalist Rules may from time to time prescribe
- “associated company”** : A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the listed company or group
- “Audit Committee”** : The audit committee of the Company as at the Latest Practicable Date
- “Board”** : The Board of Directors of the Company as at the Latest Practicable Date
- “business day”** : A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
- “Capitalisation”** : Has the meaning ascribed to it in paragraph 2.4 of the Letter to Shareholders in this Circular

“Catalist Board”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 12 June 2024
“Closing”	:	Has the meaning ascribed to it in paragraph 3.1 of the Letter to Shareholders in this Circular
“Closing Date”	:	Has the meaning ascribed to it in paragraph 3.3 of the Letter to Shareholders in this Circular
“Company”	:	Aspial Lifestyle Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Conditions Precedent”	:	Has the meaning ascribed to it in paragraph 3.2 of the Letter to Shareholders in this Circular
“Consideration”	:	Has the meaning ascribed to it in paragraph 3.1 of the Letter to Shareholders in this Circular
“Consideration Shares”	:	Has the meaning ascribed to it in paragraph 3.1 of the Letter to Shareholders in this Circular
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who: - <ul style="list-style-type: none"> (a) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company to be held on 27 June 2024 (and any adjournment thereof), notice of which is set out on pages N-1 to N-3 of this Circular
“entity at risk”	:	(a) the issuer; <ul style="list-style-type: none"> (b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company

“EPS”	: Earnings per Share
“Financial Adviser”	: SAC Capital Private Limited
“FY2022”	: The financial year ended 31 December 2022
“FY2023”	: The financial year ended 31 December 2023
“FY2024”	: The financial year ending 31 December 2024
“Group”	: The Company, its subsidiaries and associated companies, collectively
“Group NTA”	: Has the meaning ascribed to it in paragraph 6.2 of the Letter to Shareholders in this Circular
“IFA”	: Has the meaning ascribed to it in paragraph 8.1 of the Letter to Shareholders in this Circular
“IFA Letter”	: Has the meaning ascribed to it in paragraph 8.1 of the Letter to Shareholders in this Circular
“Issue Price”	: Has the meaning ascribed to it in paragraph 3.1 of the Letter to Shareholders in this Circular
“Independent Directors”	: Has the meaning ascribed to it in paragraph 13 of the Letter to Shareholders in this Circular
“Independent Valuer”	: Navi Corporate Advisory Pte Ltd
“Interested Person(s)” or “interested person(s)”	: (a) a Director, chief executive officer of the Company, or Controlling Shareholder; or (b) an associate of any such Director, chief executive officer or Controlling Shareholder
“Interested Person Transaction(s)” or “IPT(s)”	: A transaction between an entity at risk and an interested person
“Koh Siblings”	: Mr Koh Wee Seng and Ms Ko Lee Meng
“Latest Practicable Date”	: The latest practicable date prior to the printing of this Circular, being 31 May 2024
“NAP Group”	: Niessing Asia Pacific Pte. Ltd. and its subsidiaries, collectively
“Notice of EGM”	: The notice of EGM dated 12 June 2024 set out on pages N-1 to N-3 of this Circular
“NMK”	: Niessing Manufaktur GmbH Co. KG
“NMK Group”	: NMK and its subsidiaries, collectively
“NSK”	: Niessing Schmuck-Kooperation GmbH & Co KG
“NSK Group”	: NSK and its subsidiaries, collectively
“NSK Transfer”	: Has the meaning ascribed to it in Note 3 of paragraph 2.2 of the Letter to Shareholders in this Circular
“NTA”	: Net tangible assets

“Ordinary Resolution 1”	:	Has the meaning ascribed to it in paragraph 1.4(a) of the Letter to Shareholders in this Circular
“Ordinary Resolution 2”	:	Has the meaning ascribed to it in paragraph 1.4(b) of the Letter to Shareholders in this Circular
“Proposed Allotment”	:	Has the meaning ascribed to it in paragraph 3.1 of the Letter to Shareholders in this Circular
“Proposed Re-organisation”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Proposed Resolutions”	:	Has the meaning ascribed to it in paragraph 1.4 of the Letter to Shareholders in this Circular
“Proxy Form”	:	The proxy form attached to the Notice of EGM
“Register”	:	The register of holders of Shares, as maintained by the Share Registrar
“Request Form”	:	A request form to be submitted by Shareholders who may wish to request for a printed copy of the Circular
“Sale Shares”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Securities and Futures Act”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"Seller"	:	has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
“Share Registrar”	:	B.A.C.S. Private Limited
“Shares”	:	Ordinary shares in the issued and paid-up share capital of the Company
“SPA”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Sponsor”	:	SAC Capital Private Limited
“Substantial Shareholder”	:	A person who, in accordance with the Companies Act, has an interest (directly or indirectly) in not less than five per cent. (5%) of the Shares (excluding treasury shares and subsidiary holdings)
“Summarised Valuation Report”	:	Has the meaning ascribed to it in paragraph 2.4 of the Letter to Shareholders in this Circular
“Target” or “Niessing Group”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Target Group”	:	Has the meaning ascribed to it in paragraph 2.2 of the Letter to Shareholders in this Circular

“Target Group Entity”	: Any member of the Target Group
“treasury shares”	: Has the meaning ascribed to it under Section 4 of the Companies Act
“Valuation Date”	: Has the meaning ascribed to it in paragraph 2.4 of the Letter to Shareholders in this Circular
“Valuation Report”	: The valuation report in respect of the independent valuation of the Target Group (including the independent valuation of the Sale Shares) dated 12 June 2024 prepared by the Independent Valuer

Currencies, Units and Others

“S\$” and “cents”	: Singapore dollar and cents respectively, the lawful currency of Singapore
“%” or “per cent.”	: Per centum or percentage

Depositor and Depository Register. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meaning ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Issued Shares. In this Circular, unless otherwise stated, the total number of issued Shares in the capital of the Company is 1,418,592,499 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

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

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the Securities and Futures Act, the Catalist Rules or that modification, as the case may be.

Subsidiary. The term “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Time and Date. Any reference to a time of a day or date in this Circular is a reference to Singapore time and dates unless otherwise stated.

ASPIAL LIFESTYLE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200806968Z)

LETTER TO SHAREHOLDERS

Directors:

Mr Koh Wee Seng (Chairman and Non-Executive Director)
Mr Ng Kean Seen (Chief Executive Officer and Executive Director)
Ms Ko Lee Meng (Non-Executive Director)
Mr Yeo Yun Seng Bernard (Lead Independent Director)
Mr Tan Soo Kiang (Independent Director)
Ms Ng Bie Tjin @ Djuniarti Intan (Independent Director)

Registered Office:

80 Raffles Place
#32-01 UOB Plaza 1
Singapore 048624

12 June 2024

To: The Shareholders of Aspial Lifestyle Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1 Proposed Re-organisation

The Company had on 15 May 2024 announced that it had, on 15 May 2024, entered into a conditional sale and purchase agreement (the “SPA”) with Aspial International Pte. Ltd. (the “Seller”), pursuant to which the Seller has agreed to sell, and the Company has agreed to acquire, all of the issued ordinary shares (the “Sale Shares”) in the capital of Niessing Group Pte. Ltd. (“Niessing Group” or the “Target”), on the terms and subject to the conditions of the SPA (the “Proposed Re-organisation”). The consideration payable by the Company in connection with the Proposed Re-organisation will be fully satisfied by the allotment and issuance of new shares in the Company to ACL as a party nominated by the Seller. See paragraph 3.1 of the Letter to Shareholders in this Circular for more information on the Proposed Allotment as consideration for the Proposed Re-organisation.

1.2 Discloseable Transaction and Interested Person Transaction

The Proposed Re-organisation constitutes:

- (a) a “discloseable transaction” as defined under Chapter 10 of the Catalist Rules. Please refer to paragraph 9 of the Letter to Shareholders in this Circular for further details on the relative figures in respect of the Proposed Re-organisation computed on the bases set out in Rule 1006 of the Catalist Rules; and
- (b) an “interested person transaction” as defined under Chapter 9 of the Catalist Rules. Please refer to paragraph 6 of the Letter to Shareholders in this Circular for further details on the Proposed Re-organisation as an interested person transaction.

1.3 EGM

Accordingly, the Proposed Re-organisation and the Proposed Allotment are subject to the approval of the Shareholders, and the Directors are convening the EGM to seek the approval of the Shareholders for the Proposed Re-organisation and the Proposed Allotment. The Proposed Allotment will be subject to the completion of the Proposed Re-organisation.

1.4 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the following resolutions to be tabled at the EGM as ordinary resolutions, notice of which is set out on pages N-1 to N-3 of this Circular:

- (a) the Proposed Re-organisation ("**Ordinary Resolution 1**"); and
- (b) the Proposed Allotment ("**Ordinary Resolution 2**"),

(collectively, the "**Proposed Resolutions**").

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose. Shareholders are advised that the SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any statements made or opinions expressed or reports contained in this Circular.

1.5 Inter-conditionality

Shareholders' approval for the Proposed Re-organisation is sought in a separate resolution (namely, Ordinary Resolution 1) from the resolution to approve the Proposed Allotment (namely, Ordinary Resolution 2) at the EGM. In voting for the Proposed Resolutions set out in the Notice of EGM, Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 will be deemed not to have been passed, and if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 will be deemed not to have been passed.

1.6 Listing and Quotation Notice

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

1.7 Legal Adviser

Venture Law LLC is the legal adviser to the Company in relation to the Proposed Re-organisation, the Proposed Allotment and for purposes of this Circular.

1.8 Financial Adviser

SAC Capital Private Limited is the financial adviser to the Company in respect of the Proposed Re-organisation.

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

2.1 Information relating to the Company

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

- (a) financial services in the form of pawnbroking;
- (b) manufacture and sale of jewellery in Singapore under the "Lee Hwa" and "Goldheart" brands;
- (c) the retail and trading of jewellery and branded merchandise through its pawnshops and retail outlets. As at the Latest Practicable Date, the Group has pawnshops and retail outlets across Singapore and Malaysia; and
- (d) secured lending.

2.2 Information relating to the Target Group

The Target was incorporated in Singapore on 15 August 2017 as a private company limited by shares. As at the Latest Practicable Date, it has an issued and paid-up share capital of S\$14,200,000 comprising 14,200,000 ordinary shares and its sole shareholder is the Seller.

The Target has direct and indirect interests in the following entities (the “**Target Group Entities**”, and together with the Target, the “**Target Group**”):

Name of Target Group Entities / Jurisdiction of establishment	Share / Limited Partnership Capital	Direct / Indirect interests held by the Target (%)	Principal activities
Niessing Asia Pacific Pte. Ltd. / Singapore	S\$200,000	100	Jewellery retailing and regional sales office
Niessing (Australia) Pty Ltd / Australia	AU\$2	100	Jewellery retailing
Niessing (Hong Kong) Limited / Hong Kong SAR	HK\$300,000	100	Jewellery retailing
Niessing Vreden Commercial (Shanghai) Limited / The People’s Republic of China	RMB10,000,000	100	Jewellery retailing and regional sales office
Niessing (Malaysia) Sdn Bhd / Malaysia	RM1,000,000	100	Jewellery retailing
Niessing Manufaktur GmbH Co. KG (“ NMK ”) / Germany	EUR2,857,143	75 ⁽¹⁾	Jewellery trading and manufacturing
Niessing Stores GmbH & Co. KG / Germany	EUR200,000	75 ⁽²⁾	Jewellery trading
Niessing Schmuck-Kooperation GmbH & Co KG (“ NSK ”) / Germany	EUR500,000	70.19 ⁽³⁾	Jewellery retailing
Niessing GmbH / Germany	EUR25,000	75 ⁽²⁾	Acting as the general partner of NMK and Niessing Stores GmbH & Co. KG, being limited partnerships
Niessing Retail Switzerland GmbH / Switzerland	CHF100	70.19 ⁽³⁾	Jewellery retailing
Niessing Verwaltungs GmbH / Germany	EUR25,000	70.19 ⁽³⁾	Acquisition and management of investments in its own assets as well as acting as the general partner of NSK

Notes:

- (1) NMK is 75% owned by the Target while the remaining 25% is owned by two individuals who are unrelated to the Company’s Directors, Controlling Shareholders and their respective associates.

- (2) Niessing GmbH and Niessing Stores GmbH & Co. KG are 100% owned by NMK (which is in turn 75% owned by the Target), resulting in an effective indirect 75% ownership interests held by the Target in each of Niessing GmbH and Niessing Stores GmbH & Co. KG.
- (3) As at the date of this Circular, NSK is 50% directly owned by the Target and the remaining 50% is owned by two individuals who are unrelated to the Company's Directors, Controlling Shareholders and their respective associates. Currently, one of the shareholders of NSK has agreed to sell his 35% interest in NSK to NMK and the other unrelated limited partner ("**NSK Transfer**"). As at the Latest Practicable Date, the Company understands that the NSK Transfer is currently ongoing, and following completion of the NSK Transfer, 26.92% of NSK will be held directly by NMK (which is in turn 75% owned by the Target). Including the 50% direct ownership by the Target, the Target will own an effective 70.19% interest in NSK. The remaining 23.08% in NSK will be owned by the remaining unrelated limited partner of NSK. As Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH are currently wholly-owned by NSK, the Target will also own an effective 70.19% interest in Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH.

For accounting purposes, the management of the Company has preliminarily assessed that upon completion of the Proposed Re-organisation, the Target Group (except for the NSK Group) will become subsidiaries of the Group, while the NSK Group will become an associated company of the Group as the management assessed that the Group has no control over NSK's management and major operational and financial matters. The management's assessment will be finalised as part of the Group's financial reporting and compliance process.

The ownership structure of the Target Group immediately prior to the completion of the Proposed Re-organisation is set out in Appendix C to this Circular.

2.3 Business of the Target Group

The Target Group and its associated companies are engaged in the business of the manufacture, sale and distribution of jewellery under the "Niessing" brand. As at the Latest Practicable Date, "Niessing" jewellery are being distributed in Germany, Switzerland, Singapore, Australia, Hong Kong, The People's Republic of China, Malaysia and Japan.

2.4 Financial Information of the Target Group

Based on the combined unaudited management accounts of the Target Group⁽¹⁾ for FY2022 and FY2023:

- (a) the book value and NTA of the Target Group were approximately S\$5.42 million and S\$3.40 million respectively, as at 31 December 2022, and S\$4.47 million and S\$2.65 million respectively, as at 31 December 2023; and
- (b) the Target Group recorded profit before tax of approximately S\$1.99 million for FY2022, and loss before tax was approximately S\$0.25 million for FY2023.

Note:

- (1) The relevant management accounts of each of the Target Group Entities have been audited where required, in accordance with their respective requirements, but the combined management accounts of the Target Group have been prepared solely for the purpose of the Proposed Re-organisation and are not subject to audit.

Subsequent to FY2023, the Target has capitalised certain loans due to the Seller ("**Capitalisation**"). For avoidance of doubt, the Capitalisation was completed prior to the entry into the SPA and is not a condition to the SPA. For illustrative purposes, post-Capitalisation, the book value and NTA of the Target Group on a pro forma basis as at 31 December 2023 would have been S\$16.67 million and S\$14.85 million respectively (which, for the avoidance of doubt, is based on the Target holding an effective interest of 50.0% in NSK as at 31 December 2023).

As at the Latest Practicable Date, there is no available open market valuation of the Sale Shares. As such, in connection with the Proposed Re-organisation, the Company has appointed the Independent Valuer to perform an independent valuation of the Target Group, including the independent valuation of the Sale Shares, as at 31 December 2023.

Details of the summarised independent valuation report dated 12 June 2024 issued by the Independent Valuer ("**Summarised Valuation Report**") is set out in Appendix A to this Circular.

Based on the Summarised Valuation Report, which should be read in conjunction with the Valuation Report, the market value of the Target Group as at 31 December 2023 (the "**Valuation Date**") is in the range of S\$17.0 million to S\$21.9 million (rounded to the nearest one (1) decimal place). The Consideration (as defined below) therefore represents a premium of approximately

5.88% to the lower range of the market value of the Target Group, a discount of approximately 17.81% to the higher range of the market value of the Target Group and a discount of approximately 7.69% to the average market value of the Target Group of S\$19.5 million (rounded to the nearest one (1) decimal place), based on the range of the market value of the Target Group. As disclosed in Section 2 of the Summarised Valuation Report, the valuation of the Target Group was arrived at based on the sum-of-parts method: (a) an estimate of the Market Value range of the NMK Group and NSK Group based on Income Approach using the discounted cash flow method as the primary approach, where the Market Approach as a reference for the valuation of the NMK Group and NSK Group; and (b) the Cost Approach using the revalued net asset value method whereby all assets and liabilities are adjusted to their market value as the primary approach and the Market Approach as reference for the valuation of the NAP Group.

The valuation was conducted in accordance with the International Valuation Standards (2022) published by the International Valuation Standards Council, and for the purposes of this paragraph, “**Market Value**” is defined as “*the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”, as set out in International Valuation Standards (2022).

Shareholders are advised to read and consider the Summarised Valuation Report, in conjunction with the Valuation Report, issued by the Independent Valuer in respect of the valuation of the Target Group carefully, in particular the terms of reference, key assumptions, valuation approach, methodology and conclusion of value.

2.5 Information relating to the Seller

The Seller was incorporated in Singapore on 4 October 1997 as a private company limited by shares. As at the Latest Practicable Date, the Seller is the sole shareholder of the Target.

The Seller is an investment holding company and wholly-owned subsidiary of Aspiat Corporation Limited (“**ACL**”, and together with its subsidiaries and associated companies, the “**ACL Group**”). ACL is a company incorporated in Singapore on 12 November 1970 and was listed on the Mainboard of the SGX-ST on 21 June 1999. ACL is an investment holding company that is principally engaged in a diversified portfolio of businesses including real estate, financial service, jewellery and other investments (including the hospitality business through its associate AF Global Limited).

ACL is a Controlling Shareholder of the Company. As at the Latest Practicable Date, ACL has a direct interest in 1,012,118,525 shares in the Company, representing approximately 71.35% of the Shares.

3. PRINCIPAL TERMS OF THE PROPOSED RE-ORGANISATION

3.1 Consideration for the Proposed Re-organisation

The aggregate consideration (the “**Consideration**”) for the Proposed Re-organisation is S\$18,000,000, which shall be satisfied by the allotment and issuance of 140,625,000 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to ACL, as nominated by the Seller, at an issue price of S\$0.128 per Consideration Share (which is based on the volume weighted average price of the Shares for a period of five trading days prior to the date of the SPA on which transactions in the Shares were recorded) (the “**Issue Price**”) for each Consideration Share.

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

The Consideration Shares will be credited as fully-paid and shall rank *pari passu* in all respects with the existing Shares at the time of the allotment and issuance of such Consideration Shares, save for rights to any dividends, rights, allotments or distributions, the record date(s) of which falls before the completion of the Proposed Re-organisation (“**Closing**”).

The Consideration was arrived at on a “willing-buyer willing-seller” basis, taking into account, *inter alia*, (i) the historical financial performance of the Target Group; (ii) the Target Group’s business prospects; and (iii) the indicative market value of the Sale Shares based on the preliminary valuation conducted by the Independent Valuer appointed by the Company (which had been prepared based on the assumption that the NSK Transfer had been completed on the Valuation Date).

Further to the finalisation of the Valuation Report, the Consideration represents a discount of approximately 7.69% to the average market value of the Target Group of S\$19.5 million (rounded to the nearest one (1) decimal place), based on the range of the market value of the Target Group.

3.2 Conditions precedent

The agreement to sell and purchase the Sale Shares under the SPA is conditional upon the satisfaction or waiver (as the case may be) of, *inter alia*, the following conditions (each a “**Condition Precedent**” and collectively, the “**Conditions Precedent**”) being satisfied (or waived by the relevant party) under the SPA:

- (a) all consents, approvals and authorisations of governmental authorities and any counterparties to the contracts entered into by the Company or any of its subsidiaries which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained, and if such consents, approvals and authorisations are subject to conditions, such conditions being acceptable to both the Seller and the Company (acting reasonably and in good faith);
- (b) all consents, approvals and authorisations of governmental authorities and any counterparties to the contracts entered into by the Seller or any of its subsidiaries or the Target Group which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained, and if such consents, approvals and authorisations are subject to conditions, such conditions being acceptable to both the Seller and the Company (acting reasonably and in good faith);
- (c) the passing at a general meeting of the Company of a resolution to approve the acquisition of the Sale Shares on the terms and conditions set out in the SPA, in accordance with the requirements of all applicable laws and regulations (including the Catalist Rules);
- (d) the passing at a general meeting of the Company of a resolution to approve the allotment and issuance of the Consideration Shares to ACL on the terms and conditions set out in the SPA, in accordance with the requirements of all applicable laws and regulations (including the Catalist Rules);
- (e) receipt by the Company of the listing and quotation approval from the SGX-ST pursuant to the application to list additional securities for the listing of and quotation for all the Consideration Shares on the Catalist Board, on conditions (if any) reasonably acceptable to the Seller, with such approval being in full force and effect as at Closing and any such conditions which are required to be fulfilled on or before the date of Closing being fulfilled on or before that date;
- (f) (i) the sale and purchase of the Sale Shares; and (ii) the allotment and issuance of the Consideration Shares upon the terms and conditions of this Agreement not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore and any other relevant jurisdictions;
- (g) the trading of the Shares on the Catalist Board not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the Shares not having been delisted from the Catalist Board; and
- (h) completion of the NSK Transfer.

3.3 Closing

Closing shall take place on the date falling on the 10th business day following the satisfaction or waiver of the last of the Conditions Precedent, or such other date as may be agreed by the Company and the Seller in writing (the “**Closing Date**”). Completion of the sale and purchase of all the Sale Shares shall take place contemporaneously.

3.4 Cut-off date

If the Conditions Precedent are not satisfied or waived on or before 31 December 2024 or such other date as may be agreed between the Company and the Seller, save as expressly provided, the Company or the Seller may, in its absolute discretion, terminate the SPA (other than the surviving provisions of the SPA) and neither the Seller nor the Company shall have any claim against the other under it, save for the claim arising from antecedent breaches of the SPA.

4. RATIONALE FOR AND BENEFIT TO THE COMPANY ARISING FROM THE PROPOSED RE-ORGANISATION

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

- (a) The Proposed Re-organisation is in line with ACL’s objective to consolidate its jewellery operations under the management of the Company.

As the Company has been overseeing the businesses of the Target Group on behalf of the ACL Group by providing management support services, the Board is of the view that the transaction will formalize such arrangement. This will also allow the Group to focus and consolidate its jewellery and retail business segment within the enlarged Group, after having considered the successful consolidation of the “Lee Hwa” and “Goldheart” local jewellery businesses by the Company in 2022.

Upon the completion of the Proposed Re-organisation, the consumer lifestyle related businesses would be expanded to include the operations of the Niessing Group. In addition to Niessing Group’s retail operations in Singapore, the products under the “Niessing” brand are also sold internationally through the Niessing Group’s global mono-brand retail network located in Germany, Switzerland, The People’s Republic of China, Malaysia, Hong Kong, Japan and Australia. Niessing Group’s products can also be found in multi-brands premium jewellery stores. The Niessing Group also brings along a long-standing and established history since 1873, technological know-how, premium brand positioning and customer base.

- (b) With the Proposed Re-organisation, the enlarged Group will be able to significantly expand its geographic outreach and will be able to gain exposure and tap on the experience and expertise of the Niessing Group’s international mono-brand retail network located in Germany, Switzerland, The People’s Republic of China, Malaysia, Hong Kong, Japan and Australia, which allows the Group to be positioned as an international brand. As such, the Company believes that the Proposed Re-organisation is in the interest of the Group and will enhance shareholders’ value in the long term.
- (c) The enlarged scale of the businesses and operations will enable the enlarged Group to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities, including opportunities for overseas expansion. This will allow the enlarged Group to attract, train and retain talent, which in turn will drive long-term growth of the Group.
- (d) The Proposed Re-organisation will also help minimise any potential and/or existing conflicts of interests between the Group and the ACL Group, and any transactions entered between the Niessing Group and the Group will no longer be considered as interested person transactions. Accordingly, this will provide the ACL Group (through the enlarged Group) with greater control and flexibility to mobilise and optimise its resources across its businesses so as to facilitate greater business collaborations, and to reduce compliance costs and expenses.

- (e) The Consideration for the Proposed Re-organisation will be fulfilled fully by way of Consideration Shares, which will allow the Company to conserve its cash outlay.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RE-ORGANISATION

The *pro forma* financial effects of the Proposed Re-organisation on the Group NTA per Share and EPS of the Group are set out below:

(a) Bases and assumptions

The unaudited *pro forma* financial effects for the Proposed Re-organisation (including the Capitalisation) have been prepared based on the audited consolidated financial statements of the Group for FY2023, being the most recently completed financial year for which financial statements are publicly available as at the Latest Practicable Date, and the combined unaudited management accounts of the Target Group for FY2023.

The *pro forma* financial effects set out below are purely for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Re-organisation (including the Capitalisation). No representation is made as to the financial position and/or results of the Company after the completion of the Proposed Re-organisation (including the Capitalisation).

(b) Share Capital

	Before the Proposed Re-organisation	After the Proposed Re-organisation
Total number of issued Shares (excluding treasury shares)	1,418,592,499	1,559,217,499

As at the Latest Practicable Date, the Company has no subsidiary holdings or convertible securities.

(c) NTA per Share

For illustrative purposes only and assuming that the Proposed Re-organisation had been effected on 31 December 2023, being the end of FY2023, the *pro forma* financial effects on the consolidated NTA per Share as at 31 December 2023 are as follows:

	Before the Proposed Re-organisation	After the Proposed Re-organisation
Net Assets attributable to owners of the Company (S\$'000)	165,884	178,357
Less: Intangibles and Net Deferred Tax Assets ⁽¹⁾ (S\$'000)	(12,426)	(12,426)
Group NTA attributable to owners of the Company (S\$'000)	153,458	165,931
Number of Shares ('000)	1,418,592 ⁽²⁾	1,559,217
NTA per Share (cents)	10.82	10.64

Notes:

(1) Computed based on deferred tax assets, net of deferred tax liabilities.

(2) Being the number of Shares in issue (excluding treasury shares) as at 31 December 2023.

(d) EPS

For illustrative purposes only and assuming that the Proposed Re-organisation had been completed on 1 January 2023, being the beginning of FY2023, the *pro forma* financial effects on the consolidated EPS for FY2023 are as follows:

	Before the Proposed Re-organisation	After the Proposed Re-organisation
Net profit after tax attributable to owners of the Company (S\$'000)	19,191	18,575
Weighted average number of Shares ('000)	1,415,953	1,556,578
EPS (cents)	1.36	1.19

6. THE PROPOSED RE-ORGANISATION AS AN INTERESTED PERSON TRANSACTION

6.1 Entity at risk and interested persons

The Seller's sole shareholder, ACL, is a Controlling Shareholder of the Company, holding a direct interest in 1,012,118,525 Shares, representing approximately 71.35% of the Shares as at the Latest Practicable Date.

Furthermore, as at the Latest Practicable Date, each of the Koh Siblings, together with their immediate family, has an interest of more than 30% in ACL (a Controlling Shareholder of the Company) and the Seller is hence regarded as an associate of a Director of the Company (being each of the Koh Siblings).

Pursuant to Chapter 9 of the Catalist Rules, the Seller is considered as an "interested person" of the Company.

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

6.2 Shareholders' approval pursuant to Chapter 9 of the Catalist Rules

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for an interested person transaction of a value equal to, or more than, 5% of the group's latest audited NTA. The latest audited NTA of the Group (the "**Group NTA**") is S\$158.63 million for FY2023 and the Consideration represents approximately 11.35% of the Group NTA. As such, the Company is required to seek Shareholders' approval for the Proposed Re-organisation and the Proposed Allotment at the EGM.

6.3 Current and on-going interested person transactions

(a) For the current financial year commencing on 1 January 2024 up to the Latest Practicable Date, the aggregate value of all transactions with the Seller and its associates (excluding the Proposed Re-organisation and transactions less than S\$100,000 but including transactions expected to be more than S\$100,000 for FY2024) is approximately S\$653,000.

Information on the interested person transactions entered into between the Group and the same interested persons for the current financial year commencing on 1 January 2024 are set out below:

Name of interested person(s)	Details of transaction	Aggregate value of all interested person transactions in the financial year commencing on 1 January 2024 (excluding transactions less than S\$100,000, but including transactions expected to be more than S\$100,000 for FY2024) (S\$'000)
Aspial International Pte. Ltd. and its subsidiaries ⁽¹⁾	Provision of management services	2
World Class Global Pte. Ltd. ⁽¹⁾	Lease of premises	182
	Provision of management services	27
AF Global Limited and its subsidiaries ⁽²⁾	Lease of premises	60
	Provision of management services	26
Dynamic Project Management Services Pte. Ltd. ⁽¹⁾	Provision of management services	60
ACL ⁽³⁾	Provision of management services	296

Notes:

- (1) A subsidiary of the Company's Controlling Shareholder, ACL and an associate of the Directors, the Koh Siblings.
 - (2) An associated company of the Company's Controlling Shareholder, ACL, and an associate of the Directors, the Koh Siblings.
 - (3) A Controlling Shareholder of the Company.
- (b) The aggregate value of all interested person transactions for the current financial year commencing on 1 January 2024 up to the Latest Practicable Date (excluding the Proposed Re-organisation and transactions less than S\$100,000 but including transactions expected to be more than S\$100,000 for FY2024) is approximately S\$653,000.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

7.1 Interests of Directors and Controlling Shareholders

Save as disclosed in this Circular, and save for their shareholdings in the Company and in ACL (which wholly-owns the Seller) as disclosed in this Circular, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Re-organisation and the Proposed Allotment.

- (a) The interests of the Directors and Controlling Shareholders in the Company as recorded in the register of Directors' shareholdings and the register of Substantial Shareholders of the Company, respectively, as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Mr Koh Wee Seng ⁽²⁾	109,383,423	7.71	1,012,396,513	71.37
Ms Ko Lee Meng ⁽³⁾	17,581,376	1.24	1,013,578,007	71.45
Mr Yeo Yun Seng Bernard	206,149	0.01	–	–
Controlling Shareholders (other than the Directors)				
ACL ⁽⁴⁾	1,012,118,525	71.35	–	–
Ms Koh Lee Hwee ⁽⁵⁾	28,196,664	1.99	1,019,725,395	71.88
MLHS Holdings Pte. Ltd. (“MLHS”) ⁽⁴⁾	–	–	1,012,118,525	71.35

Notes:

- (1) The figures are based on the issued share capital of 1,418,592,499 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Mr Koh Wee Seng's deemed interest is derived from 277,988 Shares held by his spouse, and 1,012,118,525 Shares held by ACL by virtue of Section 7 of the Companies Act.
- (3) Ms Ko Lee Meng's deemed interest is derived from 1,459,482 Shares held by her spouse, and 1,012,118,525 Shares held by ACL by virtue of Section 7 of the Companies Act.
- (4) MLHS is the immediate and ultimate holding company of ACL. The shareholders of MLHS are Mr Koh Wee Seng (47.00%), Ms Ko Lee Meng (25.75%), Ms Koh Lee Hwee (24.25%), Mdm Tan Su Lan @ Tan Soo Lung (2.00%) and the estate of Mr Koh Chong Him @ Ko Chong Sung (1.00%). Mdm Tan Su Lan @ Tan Soo Lung and Mr Koh Chong Him @ Ko Chong Sung (deceased) are the parents of Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng. ACL's direct interest derived from 918,118,525 shares held in its own name and 94,000,000 shares held in nominee accounts.
- (5) Ms Koh Lee Hwee's deemed interest is derived from 7,606,870 Shares held by her spouse and 1,012,118,525 Shares held by ACL by virtue of Section 7 of the Companies Act.

- (b) The interests of the Directors and Controlling Shareholders of the Company in ACL (which wholly-owns the Seller) as disclosed by the relevant Directors to the Company and as recorded in the register of substantial shareholders of ACL, as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Mr Koh Wee Seng ⁽²⁾	418,655,472	18.86	1,209,594,537	54.49
Mr Ng Kean Seen	2,210,400	0.10	–	–
Ms Ko Lee Meng ⁽³⁾	33,639,865	1.52	1,205,041,757	54.29
Mr Yeo Yun Seng Bernard	255,406	0.01	–	–
Ms Ng Bie Tjin @ Djuniarti Intan	1,105,200	0.05	–	–
Controlling Shareholders (other than the Directors)				
Ms Koh Lee Hwee ⁽⁴⁾	30,890,888	1.39	1,247,707,314	56.21
MLHS ⁽⁵⁾	1,203,886,870	54.23	–	–

Notes:

- (1) The figures are based on the issued share capital of 2,219,779,158 ordinary shares in the capital of ACL in issue (excluding treasury shares and subsidiary holdings) (“**ACL Shares**”) as at the Latest Practicable Date.
- (2) Mr Koh Wee Seng is deemed to have an interest in 1,203,886,870 ACL Shares held by MLHS and 5,707,667 ACL Shares held by his spouse.
- (3) Ms Ko Lee Meng is deemed to have an interest in 1,203,886,870 ACL Shares held by MLHS and 1,154,887 ACL Shares held by her spouse.
- (4) Ms Koh Lee Hwee is deemed to have an interest in 1,203,886,870 ACL Shares held by MLHS and 43,820,444 ACL Shares held by her spouse.
- (5) MLHS is the immediate and ultimate holding company of ACL. The shareholders of MLHS are Mr Koh Wee Seng (47.00%), Ms Ko Lee Meng (25.75%), Ms Koh Lee Hwee (24.25%), Mdm Tan Su Lan @ Tan Soo Lung (2.00%) and the estate of Mr Koh Chong Him @ Ko Chong Sung (1.00%). Mdm Tan Su Lan @ Tan Soo Lung and Mr Koh Chong Him @ Ko Chong Sung (deceased) are the parents of Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng.

7.2 Abstention from Voting and/or recommendation to the Board and the Shareholders

Under Rule 919 of the Catalist Rules, an interested person and their associates must abstain from voting on the resolution approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders.

Under Rule 812(2) of the Catalist Rules, persons falling under Rule 812(1) of the Catalist Rules, and their associates, must abstain from voting on the resolution approving the placement to themselves.

Accordingly, ACL, the Koh Siblings and their respective associates will abstain from (a) deliberating and making any recommendation to the Board and the Shareholders in respect of the Proposed Resolutions, and (b) voting on the Proposed Resolutions.

8. OPINION AND ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS

8.1 IFA

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company has appointed ZICO Capital Pte. Ltd. as the independent financial adviser (“**IFA**”) to advise the Independent Directors on whether the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. A copy of its letter dated 12 June 2024 to the Independent Directors (the “**IFA Letter**”) is set out as Appendix B to this Circular and Shareholders are advised to read the IFA Letter carefully.

8.2 IFA’s Opinion and Advice

Having considered the factors and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the view that the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

8.3 Extracts from the IFA Letter

The following are extracts from Section 5 of the IFA Letter and Shareholders should read such extracts in conjunction with, and in full context of, the full text of the IFA Letter. All terms and expressions used in the extracts below shall have the same meanings as those defined in the IFA Letter unless otherwise stated:

“In determining if the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on, inter alia, the following factors:

- (a) rationale for and the benefit to the Company arising from the Proposed Re-organisation;*
- (b) the Consideration of S\$18.0 million is within the range of the Market Value of the Target Group of S\$17.0 million to S\$21.9 million (rounded to the nearest one (1) decimal place) as appraised by the Independent Valuer;*
- (c) the P/Pro forma NAV ratio of 1.44 times and EV/S ratio of 0.95 times of the Target Group, as implied by the Consideration, are within the range of the relevant statistics of the Target Comparable Companies;*
- (d) the Issue Price is at a premium of 0.4%, 2.9%, 2.7%, and 2.0% to the VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day, and at a premium of 0.6% to the VWAP of the Shares on the Last Traded Day;*

- (e) *the Issue Price represents a premium of approximately 1.8% to the VWAP of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date, and represents a premium of approximately 0.8% to the VWAP of the Shares as at the Latest Practicable Date;*
- (f) *the Issue Price is within the range of the highest and lowest transacted prices of the Shares during the Reference Period;*
- (g) *the Shares are thinly traded, with the ADTV of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day respectively, representing less than 0.1% of the free float for each of the relevant reference periods. The ADTV of the Shares as at the Last Traded Day represents less than 0.1% of the free float;*
- (h) *the ADTV of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date represents less than 0.1% of the free float and the ADTV of the Shares on the Latest Practicable Date represents less than 0.1% of the free float as well;*
- (i) *the Issue Price represents a premium of (i) 1.1 cents or 9.47% to the NAV per Share of the Group; and (ii) 1.6 cents or 14.48% to the NTA per Share of the Group. The Issue Price represents a premium of (i) 1.5 cents or 13.15% to the Adjusted NAV per Share of the Group; and (ii) 2.0 cents or 18.50% to the Adjusted NTA per Share of the Group;*
- (j) *the EV/EBITDA, PER, P/NAV and P/Adjusted NAV ratios of the Group, as implied by the Issue Price, of 9.48 times, 9.39 times, 1.09 times and 1.13 times, respectively are above the range of the relevant statistics of the ALL Comparable Companies;*
- (k) *the pro forma financial effects to the Proposed Re-organisation; and*
- (l) *other relevant considerations as set out in Section 4.8 of the IFA Letter.*

We have carefully considered as many factors as we deem essential before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date and based on our analyses, we are of the opinion that the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.”

In arriving at its opinion, the IFA did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. As each Shareholder would have different investment objectives and profiles, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolio(s) should consult his/her or their legal, financial, tax or other professional adviser(s) immediately.

Shareholders are advised to read and consider the IFA Letter in relation to the Proposed Re-organisation (including the Proposed Allotment) in its entirety as reproduced in Appendix B to this Circular and consider carefully the recommendations of the Directors for the Proposed Re-organisation and the Proposed Allotment set out in paragraph 13 of the Letter to Shareholders in this Circular.

9. CHAPTER 10 OF THE CATALIST RULES

9.1 The relative figures of the Proposed Re-organisation computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest announced audited consolidated financial statements of the Group for FY2023 are as follows:

Rule 1006	Bases	Proposed Re-organisation	The Group	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾		
(b)	Net profits ⁽²⁾ attributable to the assets to be acquired, compared with the Group's net profits.	S\$(248,006)	S\$23,699,000	(1.05)
(c)	Aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares, excluding treasury shares.	S\$18,000,000 ⁽³⁾⁽⁴⁾	S\$180,444,966 ⁽³⁾	9.98
(d)	Number of equity securities issued by the Company as consideration for the Proposed Re-organisation, compared with the number of equity securities previously in issue.	140,625,000	1,418,592,499	9.91
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁵⁾		

Notes:

- (1) Not applicable, as there are no assets to be disposed of.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the Consideration of S\$18,000,000, compared against the Company's market capitalisation of S\$181.87 million, based on 1,418,592,499 Shares in issue (excluding treasury shares) as at 14 May 2024 and a volume weighted average price of S\$0.1272 per Share on 14 May 2024, being the last market day on which the Shares were traded preceding the date of the SPA.
- (4) Rule 1003(3) of the Catalist Rules provides that, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher.

In this instance, the valuation of the consideration shall be the highest of: (a) the Consideration of S\$18,000,000; or (b) the market value of such shares of S\$17.89 million (based on 140,625,000 Consideration Shares and the VWAP of S\$0.1272 per Share on 14 May 2024); or (c) the net asset value represented by such shares of S\$16.69

million (based on 140,625,000 Consideration Shares and the net asset value per share of 11.87 cents as at 31 December 2023). Accordingly, for purposes of the relative figure for Rule 1006(c) of the Catalist Rules, the value of the Consideration Shares is deemed to be S\$18,000,000 (being the highest of (a) to (c)).

(5) Not applicable, as the Company is not a mineral, oil and gas company.

As the relative figures computed based on Rules 1006(c) and 1006(d) of the Catalist Rules exceeds 5% but does not exceed 75%, and the net loss attributable to the Target Group does not exceed 5% of the consolidated net profits of the Group for FY2023, the Proposed Re-organisation falls within paragraph 4.4(a) of Practice Note 10A of the Catalist Rules, and constitutes a “discloseable transaction” under Rule 1010 of the Catalist Rules, which does not require the Company to obtain Shareholders’ approval for the Proposed Re-organisation.

10. SHAREHOLDERS’ APPROVAL FOR THE PROPOSED ALLOTMENT

10.1 Rule 805(1) of the Catalist Rules

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

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

10.2 Rule 804 and Rule 812 of the Catalist Rules

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

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

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

11. OPINION OF THE AUDIT COMMITTEE

The Audit Committee comprises Mr Yeo Yun Seng Bernard, Mr Tan Soo Kiang, Ms Ng Bie Tjin @ Djuniarti Intan and Mr Koh Wee Seng. The chairman of the Audit Committee is Mr Yeo Yun Seng Bernard.

As Mr Koh Wee Seng is a director and controlling shareholder of ACL, he is considered interested in the Proposed Re-organisation and has recused himself from the Audit Committee’s deliberations on the Proposed Re-organisation.

In relation to the Proposed Re-organisation, the Audit Committee (other than Mr Koh Wee Seng) having considered and reviewed, *inter alia*, the terms, the rationale and the benefits of the Proposed Re-organisation including the Consideration and the basis for the Consideration (as set out in paragraph 3.1 of the Letter to Shareholders in this Circular), as well as the opinion and advice of the IFA as set out in the IFA Letter, and after discussions with the management of the

Company, concurs with the opinion of the IFA and is satisfied that, the terms of the Proposed Re-organisation are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Audit Committee (other than Mr Koh Wee Seng) recommends that the Shareholders vote in favour of Ordinary Resolution 1 to be proposed at the EGM, notice of which is set out on pages N-1 to N-3 of this Circular, specifically to approve the Proposed Re-organisation.

12. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Re-organisation. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Re-organisation.

13. DIRECTORS' RECOMMENDATIONS

The Directors who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Proposed Re-organisation and the Proposed Allotment are Mr Yeo Yun Seng Bernard, Mr Tan Soo Kiang and Ms Ng Bie Tjin @ Djuniarti Intan (collectively, the "**Independent Directors**").

Each of the Koh Siblings being a director and controlling shareholder of ACL, is accordingly considered to be interested in the Proposed Re-organisation and the Proposed Allotment, and shall abstain from making recommendations to Shareholders in respect of the Proposed Re-organisation and the Proposed Allotment. Additionally, as Mr Ng Kean Seen is part of the management team of the Company which provides management services to the Target Group, to avoid any potential conflicts of interests and in the spirit of good corporate governance, Mr Ng Kean Seen shall on a voluntary basis, abstain from making recommendations to Shareholders in respect of the Proposed Re-organisation and the Proposed Allotment.

Having considered, *inter alia*, the terms, the rationale for and benefits of the Proposed Re-organisation (including the Proposed Allotment), as well as the opinion and advice of the IFA as set out in the IFA Letter in Appendix B to this Circular, the Independent Directors are of the view that the Proposed Resolutions are in the best interests of the Company. Accordingly, the Independent Directors recommend that the Shareholders vote in favour of the Proposed Resolutions to be proposed at the EGM, notice of which is set out on pages N-1 to N-3 of this Circular, specifically to approve the Proposed Re-organisation and the Proposed Allotment.

14. CONSENTS

14.1 Consent by the Financial Adviser

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references to its name, in the form and context in which they appear in this Circular.

14.2 Consent by the Independent Valuer

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summarised Valuation Report (as set out in Appendix A to this Circular), and all references to its name, the Summarised Valuation Report and the Valuation Report in the form and context in which they appear in this Circular.

14.3 Consent by the IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter (as set out in Appendix B to this Circular) and all references to its name and the IFA Letter, in the form and context in which they appear in this Circular.

15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 on 27 June 2024 at 10.00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions as set out in the Notice of EGM.

16. ACTION TO BE TAKEN BY THE SHAREHOLDERS

16.1 Appointment of Proxies

Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form. Shareholders should note that the EGM will be convened in a physical format only. Shareholders will not be able to participate electronically in any manner whatsoever. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete and sign the attached Proxy Form, which must be:

- (a) lodged at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 or
- (b) submitted by email to aspiallifestyleEGM@aspiallifestyle.com,

in either case, by no later than 10.00 a.m. on 24 June 2024, being not less than 72 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

Further, ACL, each of the Koh Siblings and their respective associates undertakes to decline, and shall ensure that its associates decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Re-organisation and the Proposed Allotment for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM.

CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares will not be able to use the Proxy Form to appoint a proxy. The Proxy Form shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

16.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

16.3 Submission of questions in advance of the EGM

Shareholders may submit questions which are substantial and relevant to the resolutions tabled for approval at the EGM by writing to the Company in advance of the EGM. Alternatively, Shareholders may also pose such questions during the EGM.

Substantial and relevant questions related to the agenda of the EGM must be submitted in the following manner:

- (a) via email to aspiallifestyleEGM@aspiallifestyle.com; or
- (b) via post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896,

in either case, by 5.00 p.m. on Wednesday, 19 June 2024 for purposes of the EGM ("**Cut-Off Time**").

When submitting questions by post or via email, Shareholders should also provide the following details: (i) the Shareholder's full name, (ii) the Shareholder's email address, and (iii) the manner in which the Shareholder holds shares in the Company (e.g., via CDP, SRS and/or physical scrip), for verification purposes.

The Company will endeavor to address all substantial and relevant questions received from members by the Cut-Off Time and publish its response on the SGXNet at URL <https://www.sgx.com/securities/company-announcements> no later than 10.00 a.m. on Saturday, 22 June 2024. Where substantial and relevant questions are unable to be answered prior to the EGM, the Company will address them at the EGM.

The Directors will endeavour to address as many substantial and relevant questions as possible during the EGM. However, Shareholders should note that there may not be sufficient time available at the EGM to address all questions raised. Please note that individual responses will not be sent to Shareholders.

The Company will also publish the minutes of the EGM on SGXNet and the Company's website within one (1) month after the date of the EGM.

A copy of this Circular, the Notice of EGM, the Proxy Form and Request Form will be uploaded on SGXNet. A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNet.

SHAREHOLDERS ARE ADVISED TO READ IN ITS ENTIRETY THIS CIRCULAR (TOGETHER WITH ALL DOCUMENTS ATTACHED THERETO) CAREFULLY AND THOROUGHLY BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PROPOSED RESOLUTIONS SET OUT IN THE NOTICE OF EGM.

17. RESPONSIBILITY STATEMENTS

17.1 Directors

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Re-organisation (including the Proposed Allotment), the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17.2 Financial Adviser

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Re-organisation (including the Proposed Allotment), the Company and its subsidiaries, and the Financial Adviser, is not aware of any facts the omission of which would make any statement in this Circular misleading.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2023;
- (c) the IFA Letter;
- (d) the SPA;
- (e) the Summarised Valuation Report;
- (f) the Valuation Report; and
- (g) the letters of consent from the Financial Adviser, the Independent Valuer and the IFA.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send a written request via email to the Company at aspiallifestyleEGM@aspiallifestyle.com to make an appointment in advance. The Company will allocate the date and the time when each Shareholder may come to the registered office of the Company to inspect the documents to limit the number of people who are present at the registered office of the Company at any one point in time. Such arrangements are subject to the prevailing regulations, orders advisories and guidelines relating to safe distancing, vaccination status and testing requirements which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors of
Aspial Lifestyle Limited

Mr Ng Kean Seen
Chief Executive Officer

APPENDIX A – SUMMARISED VALUATION REPORT

Report date:
12 June 2024



BUSINESS VALUATION OF THE TARGET GROUP

PREPARED FOR ASPIAL LIFESTYLE LIMITED

Summarised Valuation Report

Executive Summary

Valuation of 100% equity interest in the capital of the Target Group (as defined herein)	
Valuation Date	31 December 2023
Purpose of valuation	Public disclosure purpose to seek shareholder's approval by Aspial Lifestyle Limited (the " Company " or " ALL ").
Background	<p>Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company together with its subsidiaries (the "Group") is in the business of pawnbroking, manufacture and sale of jewellery and branded merchandise and secured lending.</p> <p>On 15 May 2024, the Company announced that the Group had on the same day entered into a conditional share purchase agreement (the "SPA") with Aspial International Pte Ltd (the "Seller"), pursuant to which the Seller has agreed to sell, and the Company has agreed to acquire, all of the issued ordinary shares in the capital of Niessing Group Pte. Ltd. ("NGPL" or the "Target"), on the terms and subject to the conditions of the SPA (the "Proposed Re-organisation").</p> <p>NGPL owns the following subsidiaries and associate as at the Valuation Date (as defined herein):</p> <ul style="list-style-type: none"> • 75% equity interest in the capital of Niessing Manufaktur GmbH Co. KG ("NMK"); • 100% equity interest in the capital of Niessing Asia Pacific Pte Ltd ("NAP"); and • 50% equity interest in the capital of Niessing Schmuck Kooperation GmbH & Co. KG ("NSK"). <p>(collectively referred to as the "Target Group").</p> <p>NGPL is an investment holding company that provides management services to its subsidiaries and associate. NMK is in the business of manufacturing and trading of jewellery; NAP is in the business of jewellery retailing focusing on the Asia Pacific market; and NSK is in the business of jewellery retailing focusing on the European market.</p> <p>As at the date of this report, NSK is 50% directly owned by the Target and the remaining 50% is owned by two individuals who are unrelated to the Company's directors, controlling shareholders and their respective associates. Currently, one of the shareholders of NSK has agreed to sell his</p>

Valuation of 100% equity interest in the capital of the Target Group (as defined herein)	
	<p>35% interest in NSK to NMK and the other unrelated limited partner (“NSK Transfer”). The Company understands that the NSK Transfer is currently ongoing, and following completion of the NSK Transfer, 26.92% of NSK will be held directly by NMK (which is in turn 75% owned by the Target). Including the 50% direct ownership by the Target, the Target will own an effective 70.19% interest in NSK. The remaining 23.08% in NSK will be owned by the remaining unrelated limited partner of NSK. As Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH are currently wholly-owned by NSK, the Target will also own an effective 70.19% interest in Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH.</p> <p>As the NSK Transfer is a condition precedent to the Proposed Re-organisation, this valuation is performed by taking into consideration the said transaction and based on 70% effective interest in NSK.</p> <p>As a result of the Proposed Re-organisation, the Company would like to perform the valuation of 100% equity interest in the capital of the Target Group.</p>
Subject matter	100% equity interest in the capital of the Target Group
Basis of Valuation	Market Value
Valuation approach	<p>Target Group: Sum of parts method with different valuation and methods for various subsidiaries and associate whereas appropriate as shown below:</p> <ul style="list-style-type: none"> • NMK Group and NSK Group: Income approach as primary approach with the Market approach as a cross-check • NAP Group: Cost approach as primary approach with the Market approach as a cross-check
Valuation currency	SGD
Other details	We wish to highlight that any discrepancies in tables included herein between the 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.
<p>Based on the analysis outlined in the report which follows, we are of the opinion that the Market Value of 100% equity interest in the capital of the Target Group as at the Valuation Date is as follows:</p> <p style="text-align: center;">S\$17.0 million to S\$21.9 million (rounded)</p>	



Private and Confidential

Our reference: A0008-BV-r001-2

12 June 2024

Aspial Lifestyle Limited

Aspial One

55 Ubi Avenue 3

Singapore 408864

NAVI CORPORATE ADVISORY PTE LTD
Company Registration No. 202224784E

6 Battery Road
Level 42 The Executive Centre
Singapore 049909

www.navi.sg

Dear Sirs,

VALUATION OF 100% EQUITY INTEREST IN THE CAPITAL OF THE TARGET GROUP (AS DEFINED HEREIN) FOR THE COMPANY (AS DEFINED HEREIN)

In accordance with your instructions, we have undertaken valuation service for Aspial Lifestyle Limited (the “**Company**” or “**ALL**”), together with its subsidiaries (“**Group**”) in relation to the proposed re-organisation by the Company by acquiring 100% equity interest in the capital of Target Group (as defined herein) for the proposed re-organisation.

All capitalised terms used in this summarised valuation report dated 12 June 2024 (“**Summarised Valuation Report**”) shall bear the same meanings as ascribed to them in the valuation report dated 12 June 2024 (“**Full Report**”).

Listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Group is in the business of pawnbroking, manufacture and sale of jewellery and branded merchandise and secured lending.

On 15 May 2024, the Company announced that the Group had on the same day entered into a conditional share purchase agreement (the “**SPA**”) with Aspial International Pte Ltd (the “**Seller**”), pursuant to which the Seller has agreed to sell, and the Company has agreed to acquire, all of the issued ordinary shares in the capital of Niessing Group Pte. Ltd. (“**NGPL**” or the “**Target**”), on the terms and subject to the conditions of the SPA (the “**Proposed Re-organisation**”).

NGPL owns the following subsidiaries and associate as at the Valuation Date (as defined herein):

- 75% equity interest in the capital of Niessing Manufaktur GmbH Co. KG (“**NMK**”);
 - 100% equity interest in the capital of Niessing Asia Pacific Pte Ltd (“**NAP**”); and
 - 50% equity interest in the capital of Niessing Schmuck Kooperation GmbH & Co. KG (“**NSK**”).
- (collectively referred to as the “**Target Group**”).



NGPL is an investment holding company that provides management services to its subsidiaries and associate. NMK is in the business of manufacturing and trading of jewellery; NAP is in the business of jewellery retailing focusing on the Asia Pacific market; and NSK is in the business of jewellery retailing focusing on the European market.

As at the date of this report, NSK is 50% directly owned by the Target and the remaining 50% is owned by two individuals who are unrelated to the Company's directors, controlling shareholders and their respective associates. Currently, one of the shareholders of NSK has agreed to sell his 35% interest in NSK to NMK and the other unrelated limited partner ("**NSK Transfer**"). The Company understands that the NSK Transfer is currently ongoing, and following completion of the NSK Transfer, 26.92% of NSK will be held directly by NMK (which is in turn 75% owned by the Target). Including the 50% direct ownership by the Target, the Target will own an effective 70.19% interest in NSK. The remaining 23.08% in NSK will be owned by the remaining unrelated limited partner of NSK. As Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH are currently wholly-owned by NSK, the Target will also own an effective 70.19% interest in Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH.

As the NSK Transfer is a condition precedent to the Proposed Re-organisation, this valuation is performed by taking into consideration the said transaction and based on 70% effective interest in NSK.

As a result of the Proposed Re-organisation, the Company instructed NAVI to perform the valuation of the 100% equity interest in the capital of the Target Group. This Summarised Valuation Report has been prepared for public disclosure purposes to seek Shareholder's approval by the Company in relation to the Proposed Re-organisation and should be read in conjunction with the Full Report.

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2022) which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation date is 31 December 2023 ("**Valuation Date**") and the date of the Summarised Valuation Report is 12 June 2024 ("**Report Date**").

Based on the analysis outlined in the report which follows, we are of the opinion that the Market Value of the 100% equity interest in the capital of the Target Group as at the Valuation Date is as follows:

S\$17.0 million to S\$21.9 million (rounded)



The following pages outline the factors considered and the methodology & assumptions employed in formulating our views, opinions and conclusions. Any views, opinions and/or conclusions are subject to the assumptions and limiting conditions contained therein.

Yours Faithfully,
For and on behalf of
Navi Corporate Advisory Pte Ltd

Richard Yap
CEO



Terms of reference

Navi Corporate Advisory Pte Ltd (“NAVI” or “Valuer”) has been appointed to undertake an independent valuation of 100% equity interest in the capital of the Target Group. We were neither a party to the negotiations entered into by the Group in relation to the Proposed Re-organisation nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group and/or Target Group (“Management”) to enter into the Proposed Re-organisation (as the case may be) and we do not, by the Summarised Valuation Report, Full Report or otherwise, advise or form any judgement on the merits of the Proposed Re-organisation. We do not warrant the merits of the Proposed Re-organisation or the acceptability of the risk for the Proposed Re-organisation.

We have confined our evaluation strictly and solely on the financials of the Target Group and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Re-organisation or the strategic merits or the comparison with other deals involving shares of the Company, Group and/or Target Group. We were not required to comment on or evaluate the methods or procedures used by the Target Group to manage the change in any risk profile of the Company, Group and/or Target Group in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Summarised Valuation Report and/or Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Re-organisation. In addition, we do not express any views or opinions on the merits of the Proposed Re-organisation, the legality or all other matters pertaining to the Proposed Re-organisation, documents for the Proposed Re-organisation (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of the information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management regarding their assessment of the Proposed Re-organisation and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group and/or Target Group may be subject to for the Proposed Re-organisation.



The scope of our appointment does not require us to perform an independent evaluation or appraisal of the individual assets, liabilities and/or profitability of the Group and/or the Target Group and we do not express a view on the financial position, future growth prospects and earnings potential of the Company or Group after the completion of the Proposed Re-organisation in accordance with the terms of the SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group and/or the Target Group.

Our opinion in this Summarised Valuation Report and/or Full Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinions may change in light of developments which *inter alia*, include general as well as company-specific or industry-specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance and financial condition after the Valuation Date or developments both macro and company-specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target Group. Likewise, this Summarised Valuation Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group and/or Target Group (the “**Shareholder**”). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group and/or Target Group, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Summarised Valuation Report and provided by the Company, Group and/or Target Group which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Summarised Valuation Report and Full Report in its entirety.

Accordingly, our Summarised Valuation Report, Full Report, opinion or views or recommendation should not be used or relied on by anyone for any other purposes and should only be used by the Company, subject to the terms of reference and the contents of the Summarised Valuation Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references



to our Summarised Valuation Report, Full Report, opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Summarised Valuation Report and/or Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Summarised Valuation Report and/or the Full Report.



Credentials

NAVI is a boutique corporate advisory firm founded by the CEO Richard Yap in 2022. He has more than 15 years of dedicated corporate advisory and valuation experience in Singapore and Asia. Throughout his career, Richard achieved various certifications such as Chartered Financial Analyst, Chartered Valuer and Appraiser and Chartered Accountant (Singapore). Besides that, Richard performed numerous business valuation services for both private companies and publicly listed companies.

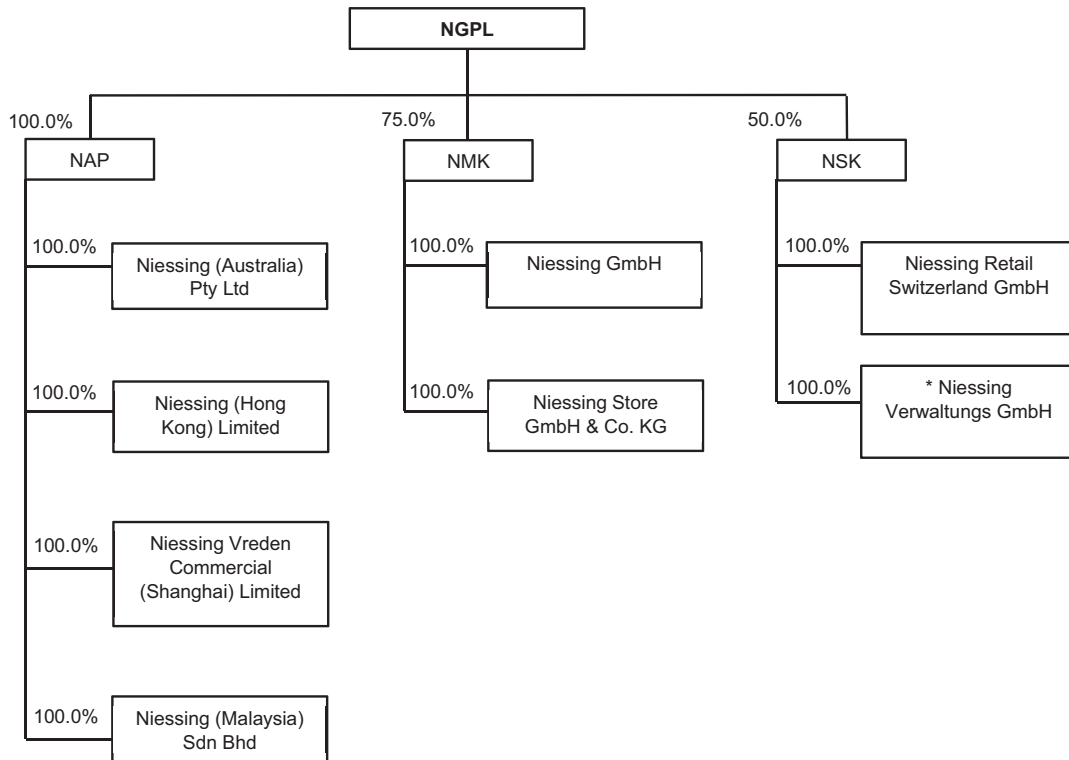
1.0 Background

1.1 Introduction

Listed on the SGX-ST, the Group is in the business of pawnbroking, manufacture and sale of jewellery and branded merchandise and secured lending.

On 15 May 2024, the Company announced that the Group had on the same day entered into a SPA with the Seller, pursuant to which the Seller has agreed to sell, and the Company has agreed to acquire, all of the issued ordinary shares in the capital of NGPL, on the terms and subject to the conditions of the SPA.

As at the Valuation Date, the corporate structure of the Target Group is as follows:



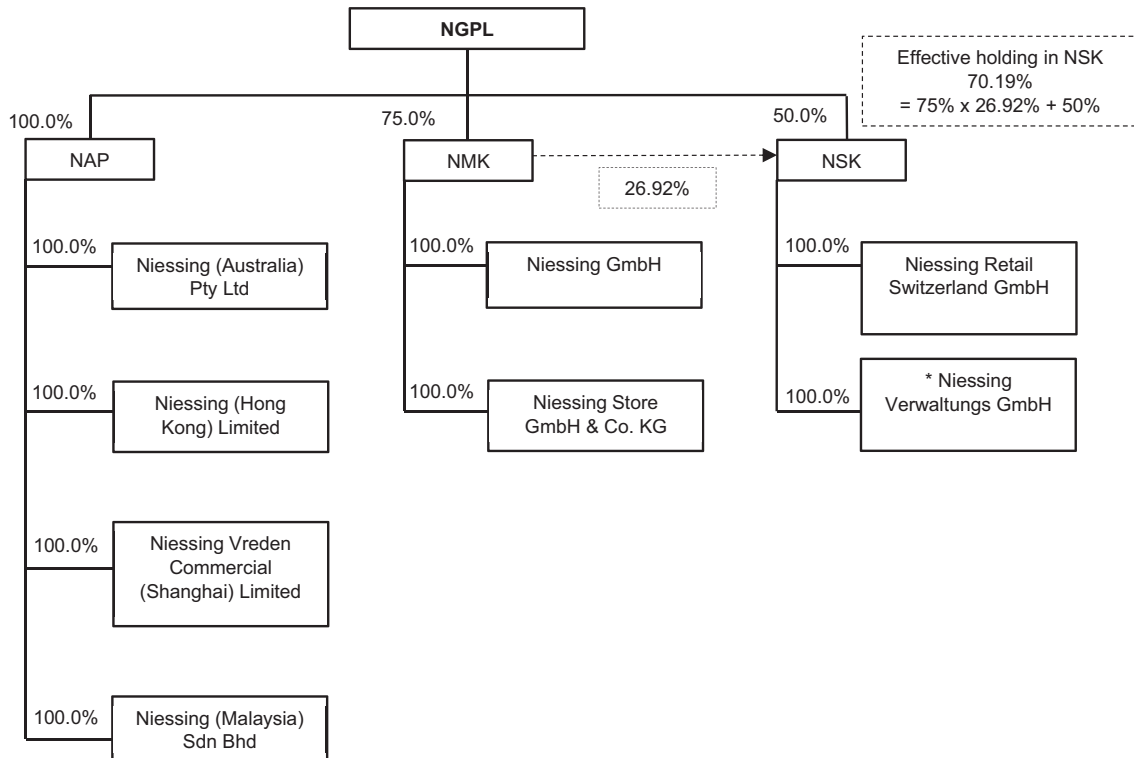
Note:

* As at the Valuation Date, we understand from the Management that Niessing Verwaltungs GmbH is a dormant company with no operating businesses and without owning any significant assets and liabilities.

NGPL is an investment holding company that provides management services to its subsidiaries and associate. NMK is in the business of manufacturing and trading of jewellery; NAP is in the business of jewellery retailing focusing on the Asia Pacific market; and NSK is in the business of jewellery retailing focusing on the European market.

As at the date of this Report, NSK is 50% directly owned by the Target and the remaining 50% is owned by two individuals who are unrelated to the Company’s directors, controlling shareholders and their respective associates. Currently, one of the shareholders of NSK has agreed to sell his 35% interest in NSK to NMK and the other unrelated limited partner (“**NSK Transfer**”). The Company understands that the NSK Transfer is currently ongoing, and following completion of the NSK Transfer, 26.92% of NSK will be held directly by NMK (which is in turn 75% owned by the Target). Including the 50% direct ownership by the Target, the Target will own an effective 70.19% interest in NSK. The remaining 23.08% in NSK will be owned by the remaining unrelated limited partner of NSK. As Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH are currently wholly-owned by NSK, the Target will also own an effective 70.19% interest in Niessing Retail Switzerland GmbH and Niessing Verwaltungs GmbH.

After the completion of NSK Transfer, the corporate structure of the Target Group is as follows:



As the NSK Transfer is a condition precedent to the Proposed Re-organisation, this valuation is performed by taking into consideration the said transaction and based on 70% effective interest in NSK.



1.2 Instruction

The Company has instructed NAVI to perform the valuation of the 100% equity interest in the capital of the Target Group.

The Valuation Date is 31 December 2023 and the Report Date is 12 June 2024.

1.3 Purpose of Valuation

The purpose of the valuation is to ascertain the Market Value of the 100% equity interest in the capital of the Target Group for public disclosure purposes to seek independent Shareholder's approval by the Company.

1.4 Basis of Valuation

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2022) which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.5 Statement of Independence

We confirm that we have no present or contemplated interest in the Target Group which is the subject of this valuation and are acting independently of all parties. We are not involved in the discussion leading up to the decision on the part of the Management to enter into the Proposed Re-organisation. Our fees are agreed on a lump sum basis and are not contingent on the outcome. As such, we are in a position to provide an objective and unbiased valuation.

1.6 Limitation of Circulation

This report has been prepared solely for public disclosure purposes to seek independent Shareholder's approval by the Company and is not intended for any legal or court proceedings, general circulation, publication or reproduction in any form without our prior written consent. We will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this report in any form and/or if used contrary to the purpose stated therein.



2.0 Valuation Approach and Methodology

2.1 Valuation Approaches

We have considered the 3 valuation approaches namely Income Approach, Market Approach and Cost Approach. The details of the various valuation approaches are described as follows:

2.1.1 Income Approach

Income Approach provides an indication of value by converting future cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

2.1.2 Market Approach

Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market Approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

2.1.3 Cost Approach

Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.



2.2 Valuation Methodology

Based on the discussion with Management and review of the information, we have adopted the sum-of-parts method. The valuation of the Target Group is mainly based on the following:

- 75% equity interest in the capital of NMK Group,
- 100% equity interest in the capital of NAP Group; and
- 70% equity interest in the capital of NSK Group.

2.2.1 NMK Group and NSK Group

Based on a discussion with Management and the review of the information, the Income Approach was adopted as the primary approach and the Market Approach as a reference for the valuation of NMK Group and NSK Group.

The rationale for adopting the Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. We considered the use of the Income Approach as the primary approach to be appropriate as NMK Group and NSK Group had ongoing business and operations with the ability to generate probable future cash flows.

Under the Market Approach, we have considered the enterprise value to sales (“**EV/S**”) multiple in the valuation. Based on the analysis, the volatilities from the multiples of Comparable Companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Thus, the Market Approach is used as a reference only.

The Cost Approach is not adopted because it does not directly incorporate information about the future economic benefits expected to be derived by NMK Group and NSK Group.

Accordingly, we have relied solely on the Income Approach in assessing the equity value of NMK Group and NSK Group and the Market Approach as a reference.

2.2.2 NAP Group

Based on the discussion with Management and review of the information, we have adopted the Cost Approach as our primary approach and the Market Approach as a reference for the valuation of NAP Group.

The rationale for adopting the Cost Approach is that NAP Group is at its initial growth stage operating without concrete and probable cashflow expected in the near future.

Under the Market Approach, we have considered the EV/S and Price to Book (“**P/B**”) multiple in the valuation. Based on the analysis, the volatilities from the multiples of Comparable Companies make it



difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Further, the current financials of NAP Group is not at its normalisation stage. Thus, the Market Approach is used as a reference only.

The Income Approach is not adopted because the future business plans of NAP Group and the future economic benefit in the foreseeable future to be derived are very uncertain.

Accordingly, we have relied solely on the Cost Approach in assessing the equity value of NAP Group and the Market Approach as a reference.

2.3 Income Approach – Discounted Cash Flow (“DCF”) Method

We have used the DCF method which is one application of the Income Approach to assess the overall enterprise value of the companies by calculating the free cash flow to the firm (“FCFF”) of the NMK Group and NSK Group. FCFF represents the cash flows left over after covering capital expenditure and working capital needs. The present value of FCFF is a measure of enterprise value and the equity value is subsequently derived after taking into consideration debt, excess cash and cash equivalents as well as non-operating assets/liabilities. FCFF is defined as follows:

$$\text{FCFF} = \text{EBIT} (1 - \text{Tax rate}) + \text{Depreciation and Amortisation} - \text{Capital Spending} - \text{Change in Working Capital}$$

In applying the DCF method there are three critical inputs:

- A supportable cash flow forecast;
- An estimate of the terminal value at the end of the forecast period; and
- An appropriate discount rate to discount the future cash flows to its present value.

The assumptions used in the DCF analysis are set out in the following sections.

2.3.1 FCFF

The FCFF is based on the financial projections from the financial year ended 31 December (“FY”) 2024 to FY2028 provided by the Management which is shown as follows:

2.3.1 (A) NMK Group

SGD'000		Forecast					Normalised
		FY2024	FY2025	FY2026	FY2027	FY2028	
EBIT	(a)	1,840	2,873	2,988	3,108	3,158	3,158
Less: Tax expenses	(b)	(360)	(562)	(584)	(608)	(618)	(618)
Add: Depreciation and amortisation	(c)	686	884	998	1,036	1,162	1,162
Less: Capital expenditure	(d)	(410)	(992)	(569)	(190)	(627)	(1,162)
Less: Net working capital changes	(e)	(455)	(91)	(200)	(27)	(17)	(17)
FCFF		1,301	2,112	2,632	3,319	3,057	2,523

Notes:

- Forecasted EBIT from FY2024 to FY2028 is projected based on Management’s expectation of future business plan as at the Valuation Date. Please refer to Section “4.0 Financial Analysis” of the Full Report for further details;
- Corporate tax rate of 19.6% has been applied with reference to the average effective tax rate of NMK Group from FY2021 to FY2023;
- Forecasted depreciation and amortisation for FY2024 to FY2028 are projected based on the existing depreciation schedule for the existing assets as well as the projected capital expenditure according to their respective useful lives;

- (d) The projected capital expenditure expected to be incurred during the projected period are mainly replacement for machines and equipment and update of the Enterprise Resource Planning system; and
- (e) Forecasted working capital is projected based on estimated turnover days for inventories, trade & other receivables and trade & other payables for the forecast period which are expected to change in line with the cost of sales, revenue and operating expense (as the case may be). The turnover days of the forecasted net working capital are shown as follows:
- Inventories: 368 to 408 days.
 - Trade & other receivables: 36 to 39 days.
 - Trade & other payables: 47 to 51 days.

2.3.1 (B) NSK Group

SGD'000		Forecast					Normalised
		FY2024	FY2025	FY2026	FY2027	FY2028	
EBIT	(a)	915	1,148	1,853	1,990	2,164	2,164
Less: Tax expenses	(b)	(286)	(359)	(579)	(622)	(676)	(676)
Add: Depreciation and amortisation	(c)	998	1,039	180	168	216	216
Less: Capital expenditure	(d)	(195)	(205)	(215)	(226)	(238)	(216)
Less: Net working capital changes	(e)	(1,288)	130	237	186	179	179
FCFF		144	1,754	1,475	1,496	1,645	1,667

Notes:

- (a) Forecasted EBIT from FY2024 to FY2028 is projected based on Management's expectation of future business plan as at the Valuation Date. Please refer to Section "4.0 Financial Analysis" of the Full Report for further details;
- (b) Corporate tax rate of 31.2% has been applied with reference to the average effective tax rate of NSK Group from FY2021 to FY2023;
- (c) Forecasted depreciation and amortisation for FY2024 to FY2028 are projected based on the existing depreciation schedule for the existing assets as well as the projected capital expenditure according to their respective useful lives;
- (d) Minimal capital expenditure is expected to be incurred in the projected period which is to be projected to be 0.9% of the revenue per annum; and
- (e) Forecasted working capital is projected based on estimated turnover days for inventories, trade & other receivables and trade & other payables for the forecast period which are expected to change in line with the cost of sales, revenue and operating expense (as the case may be). The turnover days of the forecasted net working capital are shown as follows:
- Inventories: 22 days.
 - Trade & other receivables: 33 to 38 days.
 - Trade & other payables: 84 days.

2.3.2 Terminal Value

We have applied the Gordon Growth Model in estimating the terminal value at the end of the forecast period. Based on the Gordon Growth Model, the terminal value is computed as below:

$$\text{Terminal value} = \frac{\text{FCFF}_{n+1} \times (1+g)}{(\text{WACC} - g)}$$

Notes:

- a) FCFF_{n+1} : refers to expected normalised FCFF one year from n-th year.
- b) WACC: refers to weighted average cost of capital. Please refer to section “2.3.3 Discount Rate” of this Summarised Valuation Report for the discount rate applied for the valuation of the NMK Group and NSK Group.
- c) g: refers to the growth rate in perpetuity. We have assumed that the earnings of the NMK Group and NSK Group would reach a stable perpetual growth rate of 2.0% after FY2028 with reference to the expected long-term global GDP growth rate.

2.3.3 Discount Rate

We have adopted Weighted Average Cost of Capital (“**WACC**”) ranging from 11.0% to 13.0% for NMK Group and NSK Group, as a discount rate used to discount the forecasted FCFF to its present value which is used as a measure of enterprise value. Please refer to Appendix 2 and Appendix 3 of the Full Report for the details about the computation of WACC for NMK Group and NSK Group.

2.3.4 Debt & non-operating payables and excess cash and cash equivalents

The equity value is derived by subtracting debt & non-operating payables and adding any excess cash and cash equivalents. The table shows the amount of debt & non-operating payables and excess cash & cash equivalents for NMK Group and NSK Group as at the Valuation Date.

SGD million	Debt & non-operating payables	Excess cash & cash equivalents
NMK Group	12.2	2.7 (adjusted for the purchase consideration of EUR1.0 million or approximately SGD1.5 million for the acquisition of 26.92% equity interest in NSK Group by NMK Group)
NSK Group	Nil	4.2

2.3.5 Adjustments

We applied a discount for lack of marketability (“**DL0M**”) of approximately 20.0% for NMK Group and NSK Group. After taking into consideration that the NMK Group and NSK Group are not publicly traded on any stock exchange where shares can be traded in a centralised market. DL0M is based on reference made to historical empirical studies including *inter alia*, to Maher Study, Trout Study, Management Planning, Inc. Study and Columbia Financial Study.

2.3.6 Market Value of 100% equity interest in the capital of the NMK Group and NSK Group

2.3.6 (a) NMK Group

Based on the DCF Method, the Market Value of 75% equity interest in the capital of NMK Group is as follows:

		SGD'000	
		Low	High
(A)	Present value of FCFF	8,849	9,283
(B)	Add: Present value of terminal value	13,497	17,877
(C) = (A) + (B)	Enterprise value	22,346	27,161
(D)	Less: Debt & non-operating payables	12,204	12,204
(E)	Add: Excess cash & other surplus	2,659	2,659
(F) = (C) - (D) + (E)	Equity value before DLOM	12,802	17,616
(G)	Less: DLOM	20%	20%
(H) = (F) x (1-G)	Equity value after DLOM (100%)	10,241	14,093
(I)	Less: 25% minority interest*	2,134	2,936
(J) = (H) - (I)	Equity value after DLOM (75%)	8,108	11,157

* We have applied a discount for lack of control ("DLOC") of 17% on the 25% minority interest.

2.3.6 (b) NSK Group

Based on the DCF Method, the Market Value of 70% equity interest in the capital of NSK Group is as follows:

		SGD'000	
		Low	High
(A)	Present value of FCFF	4,607	4,840
(B)	Add: Present value of terminal value	8,917	11,811
(C) = (A) + (B)	Enterprise value	13,524	16,651
(D)	Less: Debt & non-operating payables	-	-
(E)	Add: Excess cash & other surplus	4,202	4,202
(F) = (C) - (D) + (E)	Equity value before DLOM	17,726	20,852
(G)	Less: DLOM	20%	20%
(H) = (F) x (1-G)	Equity value after DLOM (100%)	14,181	16,682
(I) = (H) x 70%	Equity value after DLOM (70%)	9,926	11,677



2.4 Cost Approach - Revalued net asset value (“RNAV”)

RNAV method is a method within the cost approach whereby all assets and liabilities (including off-balance sheet, intangible and contingent) are adjusted to their market value.

We have used the RNAV method which is one application of the Cost Approach to assess the overall equity of NAP Group based on the underlying value of its net asset. The equity value is estimated to its Market Value based on the following formula:

$$RNAV = (\text{Market Value of total assets}) - (\text{Market Value of total liabilities})$$

The enterprise value is estimated to its Market Value based on the following formula:

$$Enterprise Value = Equity value + Net debt$$

Based on the analysis above and discussion with Management, the Market Value of the total assets is approximately S\$5.3 million and the total liabilities are approximately S\$16.9 million. The enterprise value of NAP Group is approximately S\$4.2 million before netting off the net debt of approximately S\$15.7 million, and we had set a range based on +/- 5% of its Market Value.

As such, based on the Cost Approach, the Market Value of the 100% enterprise value of the interest in the NAP Group ranges from **S\$3.9 million to S\$4.4 million** and the equity value is **negative S\$11.5 million** due to the huge amount of liabilities owned by the NAP Group.



2.5 Market Approach

We performed an estimation of the equity value of the Target Group using the Market Approach for reference purpose based on the selected market multiple, namely EV/S multiple for NMK Group and NSK Group and EV/S and P/B for NAP Group.

2.5.1 NMK Group

The result of the 75% equity value of NMK Group based on the Market Approach which is purely for reference purposes only and does not reflect the Market Value of the NMK Group as at Valuation Date is ranging from **S\$3.8 million to S\$13.0 million**.

2.5.2 NSK Group

The result of the 70% equity value of NSK Group based on the Market Approach which is purely for reference purposes only and does not reflect the Market Value of the NSK Group as at Valuation Date is ranging from **S\$7.7 million to S\$12.3 million**.

2.5.3 NAP Group

The result of the 100% enterprise value of NAP Group based on the Market Approach which is purely for reference purposes only and does not reflect the Market Value of the NAP Group as at Valuation Date ranging from **S\$0.77 million to S\$15.7 million**. After netting off the net debt of approximately S\$15.7 million, the equity value is measured at negative S\$14.93 million to nil value.



2.6 Market Value of 100% Equity Interest of the Target Group

Based on the sum-of-parts method, the Market Value of 100% equity interest in the capital of Target Group is as follows:

S\$ million unless otherwise specified	Low	High
Net asset of Target (100%) (excluding investment in associate & subsidiaries)	10.5	10.5
Market Value of NAP Group (100%)	(11.5)	(11.5)
Market Value of NMK Group (75%)	8.1	11.2
Market Value of NSK Group (70%)	9.9	11.6
Market Value of the Target Group	17.0 (rounded)	21.9 (rounded)



3.0 Key Assumptions

We have made the following key assumptions in this valuation exercise. Any deviation from the following key assumptions may significantly vary the valuation of the Target Group (where applicable):

- The financial information provided accurately reflects the Target Group's financial position, operation and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted in their respective jurisdiction of incorporation on a true and fair basis.
- The Management has provided us the financial projections of NMK Group and NSK Group from FY2024 to FY2028. To its best knowledge, the Management is solely responsible for the contents, estimation and assumptions used in the projections.
- The business and operation of the Target Group shall continue to operate as a going concern.
- The Target Group has sufficient liquidity to continue its business and operation.
- There will not be any material changes in the political, legal, regulatory, market and/or economic conditions in the country(ies) where the Target Group operates which may adversely affect the future prospects of the Target Group.
- There will be no material change in inflation, interest rates, exchange rates and/or rates of taxation from those prevailing as at the Valuation Date.
- There are no contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- The current owners of the Target Group have clear and unencumbered title of ownership over all assets included in this assessment assuming completion of the NSK Transfer.
- The Target Group's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

It should be noted that the valuation of the Target Group is critical upon the following key drivers, where applicable:

- The Target Group continue to operate as a going concern and is able to meet all its financial obligations.
- The Target Group's sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- The Target Group has sufficient operational resources to support the projected turnover and profitability.



The valuation is largely based on information provided to us by the Management who is solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on the Proposed Re-organisation and/or the NSK Transfer. We have also not verified or confirmed the information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to comparable companies on international stock exchanges. We are not responsible for their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.



4.0 Statement of Value

Based on the sum-of-parts method, we are of the opinion that the Market Value of 100% equity interest in the capital of the Target Group as at the Valuation Date is as follows:

Sum-of-parts Method:

S\$17.0 million to S\$21.9 million (rounded)



5.0 Exclusions and Limitations of Liability

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, we highlight some of the more pertinent points:

- We have used due skill and care in the provision of the services set out in this report;
- We shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of NAVI, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;
- In no event shall NAVI, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;
- Without derogating from the aforesaid provisions, we shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that we have done pursuant to the terms of our engagement, and whether or not we have consented to such work being shown to them, save and except where we specifically agreed in writing to accept such liability;
- Except as a result of our own negligence or wilful default, in the event that we find ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost we necessarily incur in defending it would form part of the expenses we would look to recover from the management of the Company.

APPENDIX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED RE-ORGANISATION AS AN INTERESTED PERSON TRANSACTION

12 June 2024

Aspial Lifestyle Limited
80 Raffles Place
#32-01 UOB Plaza 1
Singapore 048624

To: The Directors of Aspial Lifestyle Limited who are considered independent for the purposes of the Proposed Re-organisation (as defined herein)

Mr. Yeo Yun Seng Bernard (Lead Independent Director)
Mr. Tan Soo Kiang (Independent Director)
Ms. Ng Bie Tjin @ Djuniarti Intan (Independent Director)

(collectively, the “**Independent Directors**”)

Dear Sirs,

IFA LETTER TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROPOSED RE-ORGANISATION (AS DEFINED HEREIN) AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of Aspial Lifestyle Limited (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) dated 12 June 2024 (“**Circular**”).*

1 INTRODUCTION AND BACKGROUND

1.1 Proposed Re-organisation

On 15 May 2024, the Company entered into a conditional sale and purchase agreement (“**SPA**”) with Aspial International Pte Ltd (“**Seller**”) to acquire, all of the issued ordinary shares in the capital of Niessing Group Pte. Ltd. (“**Niessing Group**” or the “**Target**”, and together with its subsidiaries, the “**Target Group**”) (“**Sale Shares**”), on the terms and subject to the conditions of the SPA (“**Proposed Re-organisation**”).

1.2 Consideration payable by Company

The aggregate consideration for the Proposed Re-organisation is S\$18,000,000 (“**Consideration**”), which shall be satisfied by the allotment and issuance of 140,625,000 new ordinary shares in the capital of the Company (“**Consideration Shares**”) to Aspial Corporation Limited (“**ACL**”), as nominated by the Seller, at an issue price of S\$0.128 per Consideration Share (“**Issue Price**”) (“**Proposed Allotment**”).

The Proposed Allotment is subject to the approval of the Company’s shareholders (“**Shareholders**”) at the EGM.

1.3 Proposed Re-organisation as an interested person transaction

The sole shareholder of the Seller, ACL, is a controlling shareholder of the Company who holds a direct interest of 1,012,118,525 shares in the Company, representing approximately 71.35% of the ordinary shares in the issued and paid-up share capital of the Company (“**Shares**”) as at the Latest Practicable Date.

In addition, each of Mr. Koh Wee Seng (Non-Executive Chairman and Non-executive Director of the Company) and Ms. Ko Lee Meng (Non-Executive Director of the Company) (collectively, the “**Koh Siblings**”), together with their immediate family, have an interest of more than 30% in ACL as at the Latest Practicable Date. The Seller is hence regarded as an associate of a Director of the Company (being each of the Koh Siblings).

The Seller is therefore considered an “interested person” of the Company, and the Proposed Re-organisation (including the Proposed Allotment) would constitute an “interested person transaction” for the purposes of Chapter 9 of the Catalist Rules.

As the Consideration represents approximately 11.35% of the audited net tangible assets (“**NTA**”) of the Group of S\$158.63 million for FY2023, the Company is, pursuant to Rule 906 of the Catalist Rules, seeking Shareholders’ approval for the Proposed Re-organisation (including the Proposed Allotment) at the EGM.

Please refer to Section 6 of the Circular for further details of the Proposed Re-organisation (including the Proposed Allotment) as an interested person transaction.

1.4 Independent financial adviser

In connection with the above, ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) to advise the Independent Directors on whether the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This letter (“**IFA Letter**”), which sets out our opinion and advice, has been prepared pursuant to Chapter 9 of the Catalist Rules as well as for use by the Independent Directors in connection with the Proposed Re-organisation (including the Proposed Allotment) and their recommendation to the Shareholders arising thereof. This IFA Letter forms part of the Circular to be despatched to Shareholders in connection with the Proposed Re-organisation (including the Proposed Allotment).

2 TERMS OF REFERENCE

We have confined our evaluation and analysis strictly and solely to the terms of the Proposed Re-organisation (including the Proposed Allotment). Our terms of reference do not require us to evaluate or comment on the rationale for, legal, strategic and commercial risks and/or merits (if any) of the Proposed Re-organisation (including the Proposed Allotment), or on the future financial performance or prospects of the Group, or to compare the relative merits of the Proposed Re-organisation (including the Proposed Allotment) with alternative transactions considered by the Company (if any) or which may otherwise be available to the Company currently or in the future, and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors (“**Directors**”) and the management (“**Management**”) of the Company although we may draw upon their views or make such comments in respect

thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and recommendations as set out in this IFA Letter.

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares may trade or on the future performance of the Company and/or the Group upon the completion of the Proposed Re-organisation (including the Proposed Allotment). We have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of the Company or the Group arising from the Proposed Re-organisation (including the Proposed Allotment), in connection with our opinion in this IFA Letter. We were not involved in, or responsible for, any aspect of the negotiations pertaining to the Proposed Re-organisation (including the Proposed Allotment), nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Re-organisation (including the Proposed Allotment). We do not, by this IFA Letter, warrant the merits of the Proposed Re-organisation (including the Proposed Allotment) other than to express an opinion on whether the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation of the Proposed Re-organisation (including the Proposed Allotment), we have held discussions with the Directors and the Management and have also examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, both written and verbal, by the Directors and the Management. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, expressed or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy of the information provided to us that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Re-organisation, the Proposed Allotment, the Company and the Group, and the Directors are not aware of any facts, the omission of which would cause any statement in the Circular in respect of the Proposed Re-organisation, the Proposed Allotment, the Company and the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not made an independent evaluation or appraisal of the assets and liabilities (including without limitation, property, plant and equipment) of the Group and the Target Group. In connection with the Proposed Re-organisation, the Company has commissioned Navi Corporate Advisory Pte. Ltd. (the “**Independent Valuer**”) to perform an independent valuation of the Target Group, including the independent valuation of the Sale Shares, as at 31 December 2023 (“**Valuation Date**”). A summary of the valuation report dated 12 June 2024 (the “**Valuation Report**”) and prepared by the Independent Valuer in connection therewith (“**Summarised Valuation Report**”) is set out in Appendix A to the Circular. Save for the Valuation Report and the Summarised Valuation Report, we have not been furnished with any other evaluation or appraisal

of the assets and/or liabilities of the Target Group. We are not experts and do not regard ourselves to be experts in the valuation of businesses or assets. Accordingly, we have taken into consideration the Valuation Report and Summarised Valuation Report, and have not made any independent verification of the contents thereof. Therefore, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of the Valuation Report and the Summarised Valuation Report.

Our opinion set out in this IFA Letter is based upon market, economic, industry, monetary and other conditions prevailing, as well as information made available to us, as at 31 May 2024 (the “**Latest Practicable Date**”). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Re-organisation (including the Proposed Allotment), which may be released after the Latest Practicable Date.

In rendering our advice and providing our opinion and recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. As different Shareholders would have different investment profiles and objectives, we would advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular and its accompanying appendices (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular and its accompanying appendices (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular and its accompanying appendices (except for this IFA Letter and the extract of our opinion and recommendation in the Circular).

We have prepared this IFA Letter for use by the Independent Directors in connection with their consideration of the Proposed Re-organisation (including the Proposed Allotment), but any recommendations made by the Independent Directors in respect of the Proposed Re-organisation (including the Proposed Allotment) shall remain their sole responsibility.

Whilst a copy of this IFA Letter may be reproduced in the Circular and made available for inspection at the Company’s registered office as set out in Section 18 of the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for purposes, other than relating to the Proposed Re-organisation (including the Proposed Allotment), at any time and in any manner without the prior written consent of ZICO Capital.

Our opinion and recommendation in relation to the Proposed Re-organisation (including the Proposed Allotment) should be considered in the context of the entirety of this IFA Letter and the Circular.

3 OVERVIEW OF THE PROPOSED RE-ORGANISATION

3.1 The Target Group

The Target was incorporated in Singapore on 15 August 2017 as a private company limited by shares, with the Seller as its sole shareholder. As at the Latest Practicable Date, the Target has an issued and paid-up share capital of S\$14,200,000 comprising 14,200,000 ordinary shares.

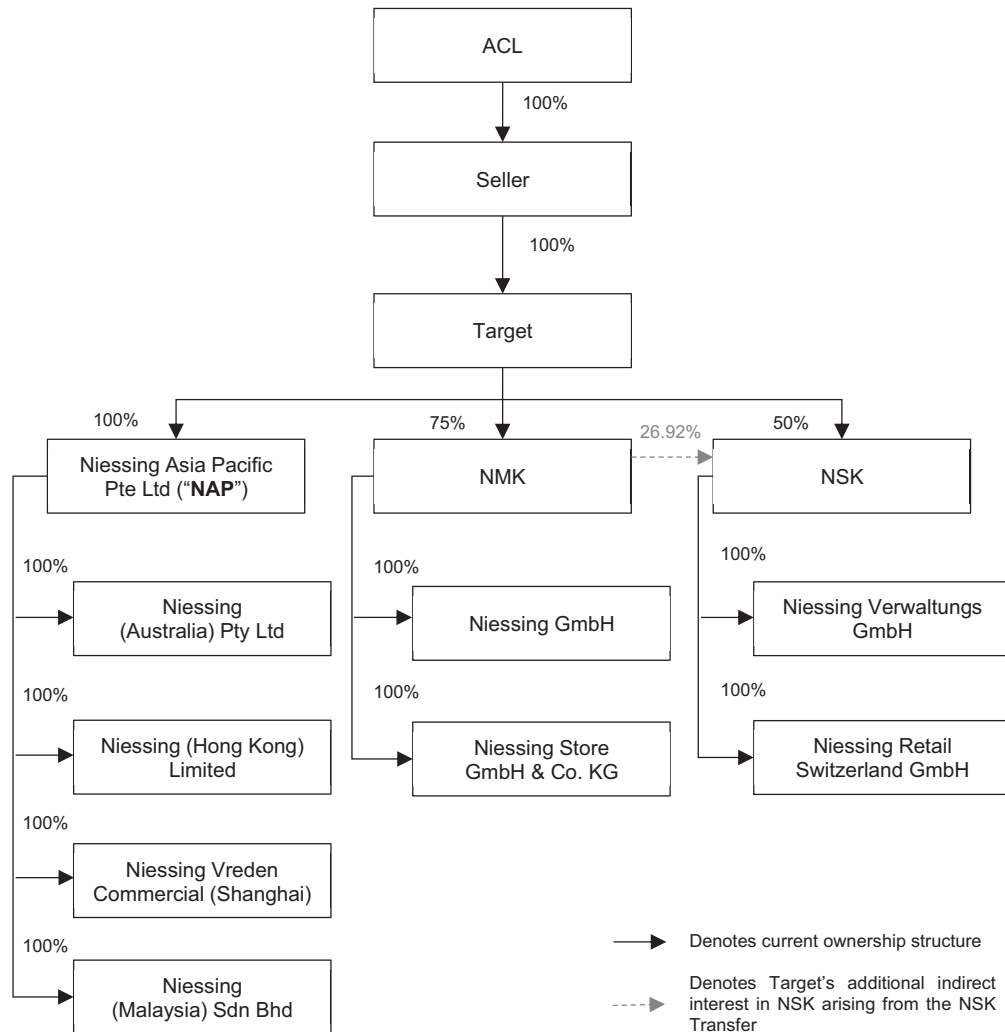
The Target Group is engaged in the business of the manufacture, sale and distribution of jewellery under the “Niessing” brand. As at the Latest Practicable Date, “Niessing” jewellery are being distributed in Germany, Switzerland, Singapore, Australia, Hong Kong, The People’s Republic of China, Malaysia and Japan.

NSK Transfer

As at the date of the Circular, the Target holds a direct interest of 50% in Niessing Schmuck-Kooperation GmbH & Co KG (“**NSK**”) and the remaining 50% is owned by two individuals who are unrelated to the Company’s Directors, Controlling Shareholders and their respective associates. One of the shareholders of NSK has agreed to sell his 35% interest in NSK to Niessing Manufaktur GmbH Co. KG (“**NMK**”) (a 75% owned subsidiary of the Target) and the other unrelated limited partner (“**NSK Transfer**”). As at the Latest Practicable Date, the Company understands that the NSK Transfer is currently ongoing, and following completion of the NSK Transfer, 26.92% of NSK will be held directly by NMK. Including the 50% direct ownership by the Target, the Target will own an effective interest of 70.19% in NSK. The remaining 23.08% in NSK will be owned by the remaining unrelated limited partner of NSK.

For accounting purposes, the Management has preliminarily assessed that upon completion of the Proposed Re-organisation, the Target Group (except for NSK and its subsidiaries) will become subsidiaries of the Group, while NSK (together with its subsidiaries) will become an associated company of the Group as the Management assessed that the Group has no control over NSK’s management and major operational and financial matters. The Management’s assessment will be finalised as part of the Group’s financial reporting and compliance process.

The following is a diagrammatic structure of the Target Group prior to and post the NSK Transfer:



Source: Management

Please refer to Section 2.2 of the Circular for further information on the entities within the Target Group.

3.2 The Seller

The Seller was incorporated in Singapore on 4 October 1997 as a private company limited by shares. As at the Latest Practicable Date, the Seller is the sole shareholder of the Target.

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

Please refer to Section 2.5 of the Circular for further information on the Seller.

3.3 Principal terms of the Proposed Re-organisation

The Consideration for the Proposed Re-organisation of S\$18,000,000 will be satisfied by the allotment and issuance of 140,625,000 Consideration Shares at the Issue Price for each Consideration Share to ACL.

The Consideration Shares will be credited as fully-paid and shall rank *pari passu* in all respects with the existing Shares at the time of the allotment and issuance of such Consideration Shares, save for rights to any dividends, rights, allotments or distributions, the record date(s) of which falls before the completion of the Proposed Re-organisation.

The Consideration was arrived at on a “willing-buyer willing-seller” basis, taking into account, *inter alia*, (i) the historical financial performance of the Target Group; (ii) the Target Group’s business prospects; and (iii) the indicative market value of the Sale Shares based on the preliminary valuation conducted by the Independent Valuer (which had been prepared based on the assumption that the NSK Transfer had been completed on the Valuation Date).

3.4 Conditions precedent

The agreement to sell and purchase the Sale Shares under the SPA is conditional upon the satisfaction or waiver (as the case may be) of, *inter alia*, certain conditions precedent being satisfied (or waived by the relevant party) under the SPA, including: (i) Shareholders’ approval having been obtained for, *inter alia*, the acquisition of the Sale Shares, and the allotment and issuance of the Consideration Shares to ACL on the terms and conditions set out in the SPA; (ii) all consents, approvals and authorisations of governmental authorities and any counterparties to the contracts entered into by (a) the Company or any of its subsidiaries, or (b) the Seller or any of its subsidiaries, or (c) the Target or any of its subsidiaries which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained; (iii) the receipt by the Company of the listing and quotation approval from the SGX-ST pursuant to the application to list all the Consideration Shares on the Catalist Board; (iv) the trading of the Shares on the Catalist Board not being suspended by the SGX-ST; and (v) completion of the NSK Transfer.

Please refer to Section 3.2 of the Circular for full details of the conditions precedent to the Proposed Re-organisation.

4 EVALUATION OF THE PROPOSED RE-ORGANISATION (INCLUDING THE PROPOSED ALLOTMENT)

We have given due consideration to, *inter alia*, the following key factors in our evaluation of the Proposed Re-organisation (including the Proposed Allotment) as an interested person transaction:

- (a) rationale for and the benefit to the Company arising from the Proposed Re-organisation;
- (b) historical financial performance of the Group and the Target Group;
- (c) market value of the Target Group based on the Valuation Report;
- (d) valuation statistics of selected listed companies broadly comparable to the Target Group;
- (e) the Issue Price;

- (f) pro forma financial effects of the Proposed Re-organisation (including the Proposed Allotment); and
- (g) other relevant considerations.

4.1 Rationale for and the benefit to the Company arising from the Proposed Re-organisation

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Re-organisation. Nevertheless, we have reviewed the rationale for the Proposed Re-organisation as set out in Section 4 of the Circular, which is extracted and replicated in *italics* below.

- “(a) The Proposed Re-organisation is in line with ACL’s objective to consolidate its jewellery operations under the management of the Company.*

As the Company has been overseeing the businesses of the Target Group on behalf of the ACL Group by providing management support services, the Board is of the view that the transaction will formalize such arrangement. This will also allow the Group to focus and consolidate its jewellery and retail business segment within the enlarged Group, after having considered the successful consolidation of the “Lee Hwa” and “Goldheart” local jewellery businesses by the Company in 2022.

Upon the completion of the Proposed Re-organisation, the consumer lifestyle related businesses would be expanded to include the operations of the Niessing Group. In addition to Niessing Group’s retail operations in Singapore, the products under the “Niessing” brand are also sold internationally through the Niessing Group’s global mono-brand retail network located in Germany, Switzerland, The People’s Republic of China, Malaysia, Hong Kong, Japan and Australia. Niessing Group’s products can also be found in multi-brands premium jewellery stores. The Niessing Group also brings along a long-standing and established history since 1873, technological know-how, premium brand positioning and customer base.

- (b) With the Proposed Re-organisation, the enlarged Group will be able to significantly expand its geographic outreach and will be able to gain exposure and tap on the experience and expertise of the Niessing Group’s international mono-brand retail network located in Germany, Switzerland, The People’s Republic of China, Malaysia, Hong Kong, Japan and Australia, which allows the Group to be positioned as an international brand. As such, the Company believes that the Proposed Re-organisation is in the interest of the Group and will enhance shareholders’ value in the long term.*
- (c) The enlarged scale of the businesses and operations will enable the enlarged Group to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities, including opportunities for overseas expansion. This will allow the enlarged Group to attract, train and retain talent, which in turn will drive long-term growth of the Group.*
- (d) The Proposed Re-organisation will also help minimise any potential and/or existing conflicts of interests between the Group and the ACL Group, and any transactions entered between the Niessing Group and the Group will no longer be considered as interested person transactions. Accordingly, this will provide the ACL Group (through the enlarged Group) with greater control and flexibility to mobilise and optimise its resources across its businesses so as to facilitate greater business collaborations, and to reduce compliance costs and expenses.*

(e) *The Consideration for the Proposed Re-organisation will be fulfilled fully by way of Consideration Shares, which will allow the Company to conserve its cash outlay.*”

4.2 Historical financial results of the Group

4.2.1 Summary historical financial performance of the Group

A summary of the consolidated audited statement of comprehensive income of the Group for the financial years ended 31 December 2021 (“FY2021”), 31 December 2022 (“FY2022”) and 31 December 2023 (“FY2023”) are set out below:

S\$'000	FY2021	FY2022	FY2023
Revenue	225,703	319,008	471,581
Material costs	(143,881)	(208,785)	(307,105)
Other income	5,796	7,581	7,590
Expenses	(70,092)	(96,061)	(148,384)
Share of results of associate and joint venture	57	61	17
Profit for the year, net of tax	14,541	16,077	19,772
Profit for the year net of tax attributable to owners of the Company	14,446	15,984	19,191
Other comprehensive income / (loss) for the year, net of tax	135	(763)	(1,540)
Total comprehensive income net of tax attributable to owners of the Company	14,581	15,221	17,478

Source: Company's annual reports for the financial years ended 31 December 2021, 2022, and 2023

FY2022 vs FY2021

The Group's revenue increased by 41.3% or S\$93.3 million to S\$319.0 million in FY2022. The increase in revenue was primarily attributable to higher revenue from the retail of jewellery and branded merchandise as well as contribution from the newly acquired jewellery business, and the increase in interest income from the pawnbroking business and secured lending business. The retail and trading of jewellery and branded merchandise business reported a significant increase of revenue of 49.4% for FY2022 amounting to S\$150.1 million. Revenue contribution from the pawnbroking business increased by 11.9% to S\$51.5 million in FY2022. The increase was primarily attributed to the higher interest income from its growing pledge book.

As compared to FY2021, operating expenses in FY2022 increased by S\$26.0 million, mainly due to higher marketing expenditure, staff costs and depreciation costs arising from the newly acquired jewellery business. The increase in finance costs for FY2022 was mainly due to higher borrowings and an increase in interest rates.

The profit before tax of the Group increased from S\$17.6 million in FY2021 to S\$21.8 million in FY2022, mainly due to increase in revenue and gross profit, higher rental income and higher other income, which was partially offset by higher operating expenses and higher finance costs.

The Group registered a loss of S\$3.8 million for its regional business in FY2022 which includes costs relating to the rationalisation and closure of the Mong Kok (Hong Kong) and Melbourne (Australia) stores.

FY2023 vs FY2022

The Group's revenue increased by 47.8% or S\$152.6 million to S\$471.6 million in FY2023. The increase in revenue from FY2022 was primarily attributable to higher revenue from the retail and trading of jewellery and branded merchandise, the newly acquired jewellery business for the six months ended 31 December 2022 and the increase in interest income from the newly acquired pawnbroking business, which was partially offset by lower revenue from the secured lending business.

Revenue contribution from the pawnbroking business increased by 23.4% to S\$63.6 million in FY2023. This increase was primarily attributed to the higher interest income from its growing pledge book and newly-acquired subsidiary.

As compared to FY2022, operating expenses in FY2023 increased by S\$40.0 million, mainly due to higher marketing, staff, and depreciation costs arising from the newly acquired jewellery business and Malaysian subsidiaries. The higher operating expenses included foreign exchange loss of S\$1.8 million in FY2023 which is mainly due to exposure to the Malaysian Ringgit at the Group's regional subsidiaries. The increase in finance costs for FY2023 was mainly due to higher borrowings and the significant increase in interest rates.

The profit before tax of the Group increased from S\$21.8 million in FY2022 to S\$23.7 million in FY2023, mainly due to the increase in revenue and gross profit, higher rental income, and partially offset by higher operating expenses, lower other income and higher finance costs.

4.2.2 Summary historical financial position of the Group

A summary of the consolidated audited statement of financial position of the Group as at 31 December 2021, 31 December 2022 and 31 December 2023 are set out below:

S\$'000	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
Current assets	441,339	589,693	686,876
Non-current assets	140,605	236,789	233,349
Total assets	581,944	826,482	920,225
Current liabilities	322,995	441,642	534,585
Non-current liabilities	108,393	224,476	214,585
Total liabilities	431,388	666,118	749,170
Net assets	150,556	160,364	171,055
Equity attributable to owners of the Company	149,426	159,193	165,884
Non-controlling interest	1,130	1,171	5,171
Total equity	150,556	160,364	171,055
Net working capital	118,344	148,051	152,291

Source: Company's annual reports for the financial years ended 31 December 2021, 2022, and 2023

The Group's total assets of S\$920.2 million as at 31 December 2023 was S\$93.7 million higher than the total assets balance as at 31 December 2022, mainly due to an increase in trade and other receivables contributed by an increase in the pledge book from the Group's pawnbroking business, right-of-use assets, intangible assets, deferred tax assets, amount due from a related

company (non-trade), derivative financial instruments, cash and cash equivalents, which was partially offset by decreases in inventories, investment securities, prepayment, investment properties, and property, plant and equipment.

The Group's total liabilities of S\$749.2 million as at 31 December 2023 was S\$83.1 million higher than the total liabilities balance as at 31 December 2022, mainly due to an increase in interest-bearing loans, derivative financial instruments, leases liabilities, trade and other payables.

The equity attributable to owners of the Company was S\$165.9 million as at 31 December 2023 as compared to S\$159.2 million as at 31 December 2022. The increase was mainly due to an increase in profit for FY2023, which was partially offset by dividends paid in the six months ended 30 June 2023 in respect of profit for FY2022 and for the six months ended 31 December 2023 in respect of the profit for FY2023.

4.3 Historical financial performance of the Target Group

The Management has provided us with the combined unaudited management accounts of the Target Group for the financial years ended 31 December 2021, 31 December 2022, and 31 December 2023, which are summarised below:

Historical financial performance

S\$'000	FY2021	FY2022	FY2023
Revenue	33,916	35,697	33,756
Other income	2,086	1,125	1,506
Expenses	(33,805)	(34,828)	(35,510)
Profit / (loss) before tax	2,197	1,993	(248)
Profit / (loss) after tax attributable to owners of the Company	1,573	129	(1,075)
Profit / (loss) after tax attributable to owners of the Company after minority interest	780	(614)	(1,494)

The Target Group recorded profit after tax attributable to owners of the Company of S\$1.6 million and S\$0.1 million for the financial years ended 31 December 2021 and 31 December 2022, respectively, and a loss after tax attributable to owners of the Company of S\$1.1 million for the financial year ended 31 December 2023, which was largely attributable to an increase in operating expenses.

Historical financial position

S\$'000	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
Current assets	34,573	34,633	35,749
Non-current assets	11,704	14,854	18,696
Total assets	46,277	49,487	54,445
Current liabilities	34,086	33,190	35,790
Non-current liabilities	5,146	10,873	14,187
Total liabilities	39,232	44,064	49,977
Net assets	7,045	5,423	4,469
Share capital	2,000	2,000	2,000
Retained earnings /	935	(573)	(1,727)

S\$'000	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
(Accumulated losses)			
Minority interest	4,110	3,996	4,195
Total equity	7,045	5,423	4,469

The Target Group recorded net assets of S\$7.0 million, S\$5.4 million and S\$4.5 million as at 31 December 2021, 31 December 2022 and 31 December 2023, respectively. The Target Group recorded an increase in non-current liabilities as at 31 December 2023, mainly due to an increase in interest-bearing loans secured in FY2023.

Subsequent to FY2023, the Target has capitalised certain loans of S\$12.2 million due to the Seller ("**Capitalisation**") and the Capitalisation was completed prior to the entry into the SPA and is not a condition to the SPA. Taking into account the Capitalisation, the pro forma net asset value ("**NAV**") and pro forma NTA of the Target Group as at 31 December 2023 would have been S\$16.67 million and S\$14.85 million respectively (respectively, "**Pro forma NAV**" and "**Pro forma NTA**"), based on the Target holding an effective interest of 50.0% in NSK as at 31 December 2023.

The Directors have confirmed that to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the NAV, NTA, Pro forma NAV and Pro forma NTA of the Target Group as at the Latest Practicable Date, to be materially different from that recorded in the financial statements of the Target Group for all the financial years; (b) save for the NSK Transfer as disclosed in the Circular, there have been no material acquisitions or disposals of assets by the Target Group since 31 December 2023 and up to the Latest Practicable Date; and (c) there are no other contingent liabilities which are likely to have a material impact on the financial statements of the Target Group as at 31 December 2023.

4.4 Market value of the Target Group based on the Valuation Report

In connection with the Proposed Re-organisation, the Company has commissioned the Independent Valuer to perform an independent valuation of the Target Group, including the independent valuation of the Sale Shares, as at 31 December 2023 ("**Market Value**") which is defined as "*the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*" in the International Valuation Standards (2022). Details of the Summarised Valuation Report is set out in Appendix A to the Circular while the Valuation Report is a document available for inspection at the registered office of the Company for the period from the date of the Circular up to and including the date of the EGM. Shareholders are advised to read the Summarised Valuation Report carefully, in particular, the valuation approaches and methodologies as well as the key assumptions and critical factors which may materially affect the valuation of the Target Group.

We note that the Independent Valuer has the relevant experience and track record acting as independent valuer for similar transactions involving SGX-ST listed companies.

We are not involved in the preparation of and assume no responsibility for the Valuation Report and Summarised Valuation Report. In particular, we do not assume any responsibility to ensure that the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements. We have also not made any independent verification of the matters or bases set out in the Valuation Report and Summarised Valuation Report.

4.4.1 Valuation approaches selected by the Independent Valuer

The Independent Valuer has considered the following three (3) valuation approaches in arriving at the valuation of the Target Group:

Valuation Methodology	Description
Cost Approach	The Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.
Income Approach	The Income Approach provides an indication of value by converting future cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.
Market Approach	The Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market Approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

In determining the Market Value of the Target Group, the Independent Valuer has adopted the sum-of-parts method on the Target's (i) 75% equity interest in the capital of NMK and its subsidiaries ("**NMK Group**"); (ii) 100% equity interest in the capital of NAP and its subsidiaries ("**NAP Group**"); and (iii) approximately 70% effective equity interest in the capital of NSK and its subsidiaries ("**NSK Group**").

Valuation approaches in relation to the NMK Group and NSK Group

The Income Approach was adopted as the primary valuation approach by the Independent Valuer, with the Market Approach used as a reference for the valuation of the NMK Group and NSK Group.

The Independent Valuer considers the use of the Income Approach as the primary valuation approach to be appropriate as the NMK Group and NSK Group have ongoing business and operations with the ability to generate probable future cash flows.

Under the Market Approach, the Independent Valuer has considered the enterprise value-to-sales ("**EV/S**") multiples of companies which have businesses that are broadly comparable with the NMK Group and NSK Group. However, such comparisons were not entirely meaningful in view of the wide range of comparative statistics and the fact that no single company was entirely comparable in size, capital nature of business and operations. Thus, the Market Approach was used as a secondary approach for reference only.

Valuation approaches in relation to the NAP Group

The Cost Approach was adopted as the primary valuation approach by the Independent Valuer, with the Market Approach used as a reference for the valuation of the NAP Group.

The Independent Valuer has considered the use of the Cost Approach as the primary valuation approach as appropriate in view that the NAP Group is at its initial growth stage operating without concrete and probable cashflow expected in the near future.

Under the Market Approach, the Independent Valuer has considered the EV/S and price-to-book multiples of companies which have businesses that are broadly comparable with the NAP Group. However, such comparisons were not entirely meaningful in view of the wide range of comparative statistics and the fact that no single company was entirely comparable in size, capital nature of business and operations. Further, the current financials of the NAP Group, which is still in nascent state, are assessed to not be at its normalisation stage. Thus, the Market Approach was used as a secondary approach for reference only.

The Independent Valuer has confirmed that the independent valuation of the Target Group was undertaken in accordance with the requirements of the International Valuation Standards (2022) published by the International Valuation Standards Council.

4.4.2 Key assumptions highlighted by the Independent Valuer

We extract the key assumptions and critical key drivers highlighted by the Independent Valuer in the Valuation Report and Summarised Valuation Report, as follows:

- (a) The financial information provided accurately reflects the Target Group's financial position, operation and performance.
- (b) The financial statements were prepared in accordance with accounting principles generally accepted in their respective jurisdiction of incorporation on a true and fair basis.
- (c) The Management has provided the Independent Valuer with the financial projections of NMK Group and NSK Group from FY2024 to FY2028. To its best knowledge, the Management is solely responsible for the contents, estimation and assumptions used in the projections.
- (d) The business and operation of the Target Group shall continue to operate as a going concern.
- (e) The Target Group has sufficient liquidity to continue its business and operation.
- (f) There will not be any material changes in the political, legal, regulatory, market and/or economic conditions in the country(ies) where the Target Group operates which may adversely affect the future prospects of the Target Group.
- (g) There will be no material change in inflation, interest rates, exchange rates and/or rates of taxation from those prevailing as at the Valuation Date.
- (h) There are no contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- (i) The current owners of the Target Group have clear and unencumbered title of ownership over all assets included in this assessment assuming completion of the NSK Transfer.

- (j) The Target Group's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.
- (k) The Target Group will continue to operate as a going concern and is able to meet all its financial obligations.
- (l) The Target Group's sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- (m) The Target Group has sufficient operational resources to support the projected turnover and profitability.

Please refer to the Summarised Valuation Report set out in Appendix A to the Circular for further details.

4.4.3 Market Value of the Target Group as ascribed by the Independent Valuer

The Market Value of the Target Group, as appraised by the Independent Valuer as at the Valuation Date based on the sum-of-parts method, is S\$17.0 million to S\$21.9 million (rounded to the nearest one (1) decimal place).

We note that the Consideration of S\$18.0 million is within the range of Market Value of the Target Group as appraised by the Independent Valuer. The Consideration represents a premium of approximately 5.88% to the lower range of the Market Value of the Target Group and a discount of approximately 17.81% to the higher range of the Market Value of the Target Group. The Consideration represents a discount of approximately 7.69% to the average Market Value of the Target Group of S\$19.5 million, based on the range of the Market Value of the Target Group as appraised by the Independent Valuer.

We wish to highlight that the independent valuation of the Target Group is based on various assumptions and limitations as set out by the Independent Valuer in the Summarised Valuation Report and the Valuation Report. Therefore, we recommend that the Independent Directors advise Shareholders to read the aforementioned Summarised Valuation Report as set out in Appendix A to the Circular in conjunction with the analysis above.

4.5 Valuation statistics of selected listed companies broadly comparable to the Target Group

In assessing the Proposed Re-organisation, we have also considered the relevant valuation statistics of selected companies listed on various stock exchanges which are engaged in businesses which can be considered as broadly comparable with the principal businesses of the Target Group ("**Target Comparable Companies**"). For a more meaningful comparison, we have only considered Target Comparable Companies with market capitalisation not exceeding S\$100.0 million as at the Latest Practicable Date.

As the Target Group did not generate profits for FY2023 and for the 3-month financial period ended 31 March 2024, the earnings-related ratios would not be meaningful indicators of the value of the Target Group and were not considered in this analysis.

We have held discussions with the Management about the suitability and reasonableness of the Target Comparable Companies acting as a basis for comparison with the Target Group. Relevant

information has been extracted from Bloomberg L.P. and we make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We wish to highlight that the list of selected Target Comparable Companies is not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Target Group in terms of, *inter alia*, geographical coverage of activities, brand positioning, customer base, product and revenue mix, size and scale of operations, sales channels, risk profile, track record, financial performance and position, future prospects, operating and financial leverage, accounting policies and tax matters, market capitalisation and other relevant criteria. Many of the Target Comparable Companies operate in different markets from the Target Group, where the different operating and regulatory landscape may also affect their financial performance and share prices. There are also differences between the valuation statistics of companies trading on the SGX-ST and other exchanges, due to factors including differing macroeconomic variables and investors' sentiments. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation of the Target Group (as the case may be) as at the Latest Practicable Date.

A brief description of the selected Target Comparable Companies, as extracted from Bloomberg L.P., are set out below:

Target Comparable Company	Listing Location / Exchange	Business Activities/ Description
elumeo SE ("elumeo")	Germany / Deutsche Börse Xetra	elumeo manufactures and distributes jewellery products. The company offers pieces of jewellery featuring a variety of gemstones, as well as coloured gemstone jewellery through a range of sales channels in the areas of ecommerce and smart broadcasting. elumeo serves customers worldwide.
Gismondi 1754 S.P.A. ("Gismondi")	Italy / Borsa Italiana	Gismondi manufactures jewellery. The company designs earrings, finger rings, necklace, nose rings, bracelet and other related products. Gismondi serves customers in Italy.
Charles & Colvard Ltd ("C&C")	United States / Nasdaq CM	C&C designs and manufactures jewellery products. The company offers diamond rings, bridal sets, eternity and anniversary bands, loose gems and other collections. C&C serves customers worldwide.
Mene Inc ("Mene")	Canada / TSX Venture Exchange	Mene designs, manufactures, and retails gold and platinum jewellery. The company offers bands, bracelets, chains, charms, earrings, pendants, rings, chains, rings and other luxury objects under the Mene brand. The company retails its jewellery products direct to the consumer through its online platform. Mene serves customers worldwide.
Chong Fai Jewellery Group Holdings Company Limited ("Chong Fai")	Hong Kong / HKEX	Chong Fai retails jewellery products. The company sells gem set jewellery, pure gold and other products. The company also provides recycled gold products recycling services. The company serves customers in Hong Kong.
King Fook Holdings Limited ("King Fook")	Hong Kong / HKEX	King Fook, through its subsidiaries, retails jewellery and trades bullions. The company also provides securities and commodities broking services as well as wholesales diamond. The company serves customers in Hong Kong.

Target Comparable Company	Listing Location / Exchange	Business Activities/ Description
China Brilliant Global Limited (“ China Brilliant ”)	Hong Kong / HKEX	China Brilliant operates jewellery stores. The company mainly retails and distributes jewellery products. The company serves customers in China and Hong Kong.
Tomei Consolidated Bhd (“ Tomei ”)	Malaysia / Bursa Malaysia	Tomei is an investment holding company. The company, through its subsidiaries, design and manufactures and retails jewellery and refines gold and silver. The company serves customers in Malaysia.
Festaria Holdings Co., Ltd. (“ Festaria ”)	Japan / TSE	Festaria operates jewellery stores. The company retails jewellery items, glasses, watches and other products. Festaria markets its products throughout Japan.
Kohsai Co., Ltd. (“ Kohsai ”)	Japan / TSE	Kohsai designs and distributes jewellery products. The company produces rings, earrings, necklaces, bracelets and other products. The company mainly serve customers in Japan.
Crossfor Co., Ltd. (“ Crossfor ”)	Japan / TSE	Crossfor manufactures and distribute watches and jewellery products. The company produces necklaces, bracelets, watches, clocks and other products. Crossfor markets its products throughout Japan.
Estelle Holdings Co., Ltd. (“ Estelle ”)	Japan / TSE	Estelle operates jewellery stores. The company sells rings, necklaces, bracelets, earrings and other accessories at retail outlets. Estelle also offers jewellery processing services.
Taka Jewellery Holdings Ltd (“ Taka ”)	Singapore / SGX-ST	Taka operates as a holding company. The company, through its subsidiaries, sells jewellery products such as rings, pendants, earrings, and other accessories through wholesale and retail outlets. Taka also offers pawnbroking and pre-owned sales services. Taka serves customers worldwide.

Source: Bloomberg L.P.

In our evaluation, we have considered the following valuation ratios:

Valuation Ratio	Description
Price-to-Net Asset Value (“ P/NAV ”)	<p>This ratio illustrates the market price of a company’s shares relative to the NAV per share as recorded in its financial statements.</p> <p>The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests.</p> <p>The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders.</p> <p>It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p>

Valuation Ratio	Description
	Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
EV/S	The EV to the trailing 12-month sales multiple reflects the value that market participants attach to a company's enterprise value relative to its sales. Enterprise value is a measure of the company's total value, including debt and equity components.

We set out below the valuation statistics of the Target Comparable Companies *vis-à-vis* the Target Group as implied by the Consideration:

Target Comparable Company	P/NAV (times)	EV/S (times)
elumeo	1.62	0.29
Gismondi	1.19	1.41
C&C	1.89	0.15
Mene	3.37	1.70
Chong Fai	2.31	0.29
King Fook	0.51	_(¹)
China Brilliant	_(²)	5.30
Tomei	0.63	0.54
Festaria	1.29	0.48
Kohsai	1.33	0.63
Crossfor	2.08	1.81
Estelle	0.55	0.34
Taka	0.33	0.58
Max	3.37	5.30
Average	1.32	1.13
Median	1.29	0.56
Min	0.33	0.15
Target Group as implied by the Consideration	1.44 ⁽³⁾ (P/Pro forma NAV)	0.95 ⁽⁴⁾

Source: Bloomberg L.P., annual reports, and latest publicly available financial information on the Target Comparable Companies as at the Latest Practicable Date

Notes:

- (1) King Fook recorded a negative EV based on its latest announced unaudited financial results for the six-month period ended 30 September 2023.
- (2) China Brilliant's share price as the Latest Practicable Date was S\$0.051 and accordingly, the P/NAV <0.01 time.
- (3) The P/Pro forma NAV of the Target Group was computed based on the Pro forma NAV of S\$16.67 million as at 31 December 2023, after taking into account the effects of the Capitalisation, and excluding minority interest.
- (4) The EV/S of the Target Group was computed based on the EV of the Target Group implied by the Consideration and having accounted for total debt and cash and cash equivalents, divided by the trailing 12-month sales based on the latest unaudited consolidated financial results for FY2023.

From the above, we note the following:

- (a) the P/Pro forma NAV ratio of the Target Group, as implied by the Consideration, is within the range of the P/NAV ratios of the Target Comparable Companies, but above the median and average P/NAV ratios of the Target Comparable Companies.
- (b) the EV/S ratio of the Target Group, as implied by the Consideration, is within the range of the EV/S ratios of the Target Comparable Companies, and below the average but above the median EV/S ratios of the Target Comparable Companies.

4.6 Assessment of the Issue Price

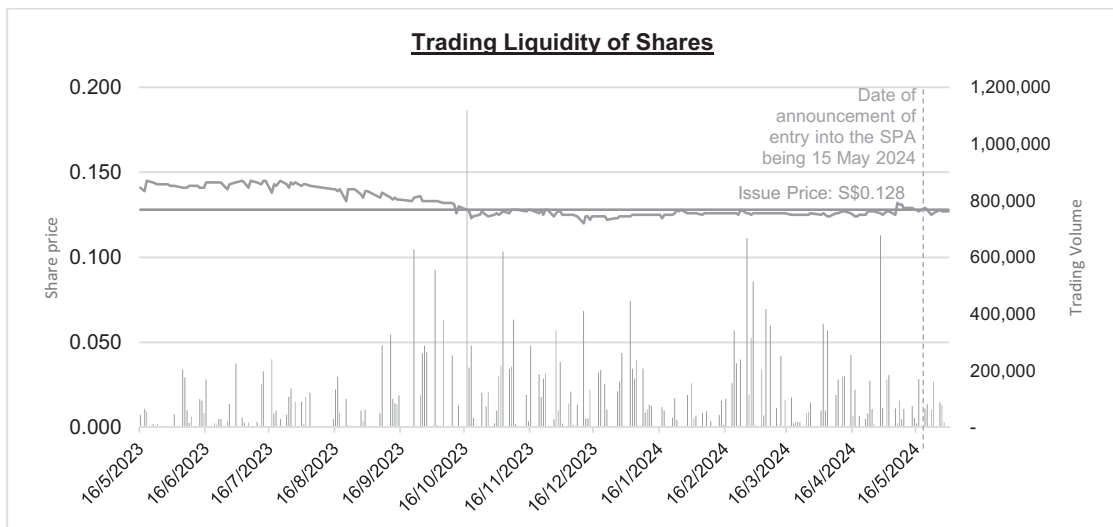
In assessing the Issue Price of the Consideration Shares, we have considered the following:

- (i) market performance of the Shares;
- (ii) trading statistics of the Shares;
- (iii) the Group’s valuation statistics as implied by the Issue Price *vis-à-vis* the valuation statistics of selected comparable companies of the Group; and
- (iv) comparison of the Issue Price with the P/NAV, price-to-net tangible assets (“**P/NTA**”), and the adjusted P/NAV and P/NTA ratios of the Group.

4.6.1 Market performance of the Shares

We set out below the market performance of the Shares for the period commencing 16 May 2023, being the 12 months prior to and including 15 May 2024 (the date on which the Company released the announcement in respect of the Proposed Re-organisation via SGXNet) on which trades in the Shares were recorded (“**Last Traded Day**”), up to the Latest Practicable Date (“**Reference Period**”):

Daily closing prices and trading volume of the Shares for the Reference Period



Source: Bloomberg L.P.

From the above chart, we note the following:

- (a) From 16 May 2023 to the Last Traded Day, the daily closing prices of the Shares were in the range of S\$0.120 to S\$0.145, and the Issue Price is within this range of closing prices.
- (b) From 16 May 2024 (being the first day immediately after the Last Traded Day) to the Latest Practicable Date, the daily closing prices of the Shares ranged from S\$0.125 to S\$0.129, and the Issue Price is within this range.

4.6.2 Trading statistics of the Shares

We tabulate the trading statistics of the Shares for the Reference Period as follows:

Reference Period	VWAP ⁽¹⁾ (S\$)	Premium of Issue Price to VWAP (%)	Highest transacted price (S\$)	Lowest transacted price (S\$)	Average daily traded volume ⁽²⁾ (million)	Average daily traded volume as a percentage of free float ⁽³⁾ (%)
Periods prior to and including Last Traded Day						
Last 12 months	0.127	0.4	0.146	0.110	0.10	<0.1 ⁽⁴⁾
Last 6 months	0.124	2.9	0.132	0.120	0.12	<0.1 ⁽⁴⁾
Last 3 months	0.125	2.7	0.132	0.121	0.13	<0.1 ⁽⁴⁾
Last 1 month	0.125	2.0	0.132	0.123	0.10	<0.1 ⁽⁴⁾
Last Traded Day	0.127	0.6	0.130	0.126	0.03	<0.1 ⁽⁴⁾
Periods immediately after the Last Traded Day and up to the Latest Practicable Date						
Immediately after the Last Traded Day to the Latest Practicable Date	0.126	1.8	0.130	0.123	0.07	<0.1 ⁽⁴⁾
Latest Practicable Date	0.127	0.8	0.127	0.127	<0.00	<0.1 ⁽⁴⁾

Source: Bloomberg L.P.

Notes:

- (1) "VWAP" means volume weighted average price and is rounded to the nearest three (3) decimal places.
- (2) The average daily traded volume ("ADTV") of the Shares was computed based on the total volume of Shares traded during the relevant periods divided by the number of market days which the SGX-ST was open for the trading of securities for the relevant periods.
- (3) Free float refers to the Shares in issue other than those held by the Directors, chief executive officer, Substantial Shareholders, or Controlling Shareholders of the Company or its subsidiaries, and their Associates (as defined in the Catalyst Rules). For the purposes of computing the ADTV as a percentage of free float, we have used the free float of approximately 209,115,160 Shares as at the Latest Practicable Date.
- (4) The ADTV of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day as a percentage of free float was 0.049%, 0.055%, 0.064% and 0.046%, respectively, representing

less than 0.1% of the free float for the relevant reference periods, and the ADTV of the Shares as at the Last Traded Day represents 0.016% of the free float. The ADTV of the Shares from 16 May 2024 (being the first day immediately after the Last Traded Day) to the Latest Practicable Date and as at the Latest Practicable Date as a percentage of free float was 0.032% and <0.0001%, respectively.

From the above, we note the following:

- (a) The Issue Price is at a premium of 0.4%, 2.9%, 2.7%, and 2.0% to the VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day, and at a premium of 0.6% to the VWAP of the Shares on the Last Traded Day;
- (b) During the Reference Period, the highest transacted price of the Shares was S\$0.146, while the lowest transacted price of the Shares was S\$0.110. The Issue Price is within the range of the highest and lowest transacted prices during the Reference Period; and
- (c) The Issue Price represents a premium of approximately 1.8% to the VWAP of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date, and represents a premium of approximately 0.8% to the VWAP of the Shares as at the Latest Practicable Date.

With regard to the trading liquidity of the Shares, we note the following:

- (a) The Shares are thinly traded, with the ADTV of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day respectively, representing less than 0.1% of the free float for each of the relevant reference periods and the ADTV of the Shares as at the Last Traded Day represents less than 0.1% of the free float;
- (b) The ADTV of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date represents less than 0.1% of the free float; and
- (c) The ADTV of the Shares on the Latest Practicable Date represents less than 0.1% of the free float.

We wish to highlight that the above analysis on the historical market and trading performance of the Shares serves only as an illustrative guide and should not be relied upon as an assurance of the future trading performance of the Shares.

Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

4.6.3 P/NAV and P/NTA ratios of the Group as implied by the Issue Price

The Issue Price represents a premium of (i) 1.1 cents or 9.47% to the NAV per Share of the Group of S\$0.117; and (ii) 1.6 cents or 14.48% to the NTA per Share of the Group of S\$0.112.

We further note that the Company had proposed a final tax exempt (one-tier) dividend of 0.38 cents per Share on 23 February 2024 (“**Proposed Dividends**”). Based on the Company’s issued share capital (excluding treasury shares) of 1,418,592,499 Shares, the dividend payable would amount to S\$5.4 million. After adjusting for the Proposed Dividends, the adjusted NAV per share of the Group (“**Adjusted NAV per Share**”) and NTA per share of the Group (“**Adjusted NTA per Share**”) would be S\$0.113 and S\$0.108, respectively.

Based on the foregoing, the Issue Price represents a premium of (i) 1.5 cents or 13.15% to the Adjusted NAV per Share of the Group; and (ii) 2.0 cents or 18.50% to the Adjusted NTA per Share of the Group.

The Directors have confirmed that to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the NAV, NTA, and the adjusted NAV and NTA of the Group after accounting for the Proposed Dividends as at the Latest Practicable Date, to be materially different from that recorded in the financial statements of the Group for all the financial years; (b) save for the NSK Transfer as disclosed in the Circular, there have been no material acquisitions or disposals of assets by the Group since 31 December 2023 and up to the Latest Practicable Date; and (c) there are no other contingent liabilities which are likely to have a material impact on the financial statements of the Group as at 31 December 2023.

4.6.4 The Group's valuation statistics as implied by the Issue Price *vis-à-vis* the valuation statistics of selected comparable companies of the Group

In assessing the Issue Price, we have also benchmarked the Group's P/NAV as implied by the Issue Price against selected companies listed on SGX-ST which can be considered as broadly comparable with the Group ("**ALL Comparable Companies**"). For a more meaningful comparison, we have limited the ALL Comparable Companies to those with market capitalisation not exceeding S\$500.0 million as at the Latest Practicable Date.

We have held discussions with the Management about the suitability and reasonableness of the ALL Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or announcements of the ALL Comparable Companies, and we make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We wish to highlight that the list of selected ALL Comparable Companies is not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of, *inter alia*, geographical coverage, brand positioning, customer base, product and revenue mix, size and scale of operations, number of physical outlets and sales channels, asset base, risk profile, track record, financial performance and position, future prospects, operating and financial leverage, accounting policies and tax matters, market capitalisation and other relevant criteria. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation of the Group (as the case may be) as at the Latest Practicable Date.

A brief description of the selected ALL Comparable Companies, as extracted from Bloomberg L.P., are set out below:

ALL Comparable Company	Listing Location	Business Activities/ Description
Moneymax Financial Services Ltd. (" Moneymax ")	Singapore	Moneymax provides financial services through pawnbroking, retailing and trading of pre-owned jewellery and watches. The company owns and operates stores throughout Singapore.
Taka Jewellery Holdings Ltd (" Taka ")	Singapore	Taka operates as a holding company. The company, through its subsidiaries, sells jewellery products such as rings, pendants, earrings, and other accessories through wholesale and retail outlets. Taka also offers

ALL Comparable Company	Listing Location	Business Activities/ Description
Valuemax Group Ltd. (“Valuemax”)	Singapore	<p>pawnbroking and pre-owned sales services. Taka serves customers worldwide.</p> <p>Valuemax operates pawnshops. The company provides the valuation of products for pawning, selling and buying through its outlet stores.</p>

Source: Bloomberg L.P.

In our evaluation, we have also considered the following earnings-related ratios:

Valuation Ratio	Description
Price-to-Earnings Ratio (“PER”)	<p>This ratio is computed by dividing the market capitalisation of a company by the trailing 12-month consolidated net profits attributable to owners of a company.</p> <p>The PER is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and amortisation of intangible assets.</p>
Enterprise value to earnings before interest, tax, depreciation and amortisation (“EV/EBITDA”)	<p>Enterprise value (“EV”) is the sum of the company’s market capitalisation, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the trailing 12-month consolidated earnings before interest, tax, depreciation and amortisation, inclusive of the share of associates’ and joint ventures’ income.</p> <p>EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company’s business relative to its trailing 12-month consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the PER, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortisation expenses.</p>

We set out below the valuation statistics of the ALL Comparable Companies *vis-à-vis* the Group as implied by the Issue Price:

ALL Comparable Company	Latest Financial Year	Market Capitalisation ⁽¹⁾ (\$’million)	EV/EBITDA ⁽³⁾ (times)	PER ⁽²⁾ (times)	P/NAV ⁽⁴⁾ (times)
Moneymax	31 December 2023	112.77	9.18	4.98	0.77
Taka	30 June 2023	40.84	4.79	5.03	0.33
Valuemax	31 December 2023	305.43	8.75	5.78	0.72
Max			9.18	5.78	0.77
Average			7.57	5.26	0.61
Median			8.75	5.03	0.72
Min			4.79	4.98	0.33

ALL Comparable Company	Latest Financial Year	Market Capitalisation⁽¹⁾ (S\$'million)	EV/EBITDA⁽³⁾ (times)	PER⁽²⁾ (times)	P/NAV⁽⁴⁾ (times)
The Group as implied by the Issue Price	31 December 2023	180.18	9.48	9.39	1.09 (P/NAV) 1.13 (P/Adjusted NAV ⁽⁵⁾)

Source: Bloomberg L.P., annual reports, and latest publicly available financial information on the ALL Comparable Companies as at the Latest Practicable Date

Notes:

- (1) Market capitalisation for the ALL Comparable Companies were computed based on the outstanding number of shares and the closing price as at the Latest Practicable Date, or the last closing price if there are no trades on the Latest Practicable Date, as extracted from Bloomberg L.P.
- (2) The PERs of the ALL Comparable Companies were computed based on their respective latest publicly available audited full year earnings, or for the case of Taka, its trailing 12-month earnings, available as at the Latest Practicable Date.
- (3) The EVs and EBITDAs of the ALL Comparable Companies were computed based on their respective latest publicly available audited full year earnings, or for the case of Taka, its trailing 12-month earnings, available as at the Latest Practicable Date.
- (4) The P/NAV ratios of the ALL Comparable Companies were computed based on each company's share price as at the Latest Practicable Date divided by its consolidated net asset value per share based on the latest publicly available audited and/or unaudited consolidated financial results as at the Latest Practicable Date. The P/NAV of the Group was computed based on the NAV of the Group extracted from the Group's Annual Report for FY2023 as at 31 December 2023, and the Issue Price of S\$0.128.
- (5) The P/Adjusted NAV ratio of the Group was computed based on the NAV of the Group extracted from the Group's Annual Report for FY2023, the Issue Price, and after accounting for the effects of the Proposed Dividends of S\$5.4 million.

From the above, we note the following:

- (a) the EV/EBITDA ratio of the Group, as implied by the Issue Price, of 9.48 times is above the range of the EV/EBITDA ratios of the ALL Comparable Companies.
- (b) the PER of the Group, as implied by the Issue Price, of 9.39 times is above the range of the PER of the ALL Comparable Companies.
- (c) the P/NAV ratio of the Group, as implied by the Issue Price, of 1.09 times is above the range of the P/NAV ratios of the ALL Comparable Companies.
- (d) the P/Adjusted NAV ratio of the Group, as implied by the Issue Price, of 1.13 times is above the range of the P/NAV ratios of the ALL Comparable Companies.

4.7 Pro forma financial effects of the Proposed Re-organisation

The pro forma financial effects of the Proposed Re-organisation are set out in Section 5 of the Circular, and have been prepared based on the audited consolidated financial statements of the Group for FY2023, and take into account the completion of the Proposed Re-organisation (including the Capitalisation) but had not included the effects of the Proposed Dividends.

The pro forma financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the Group after completion of the

Proposed Re-organisation (including the Capitalisation). Shareholders are advised to read the information set out in Section 5 of the Circular carefully, including the bases and assumptions set out therein.

The salient financial effects to the Group upon completion of the Proposed Re-organisation (including the Capitalisation) are as follows:

(i) Share capital

The issued and paid-up share capital of the Company (excluding treasury shares) will increase from 1,418,592,499 Shares to 1,559,217,499 Shares.

(ii) NTA per Share

NTA per Share will decrease from 10.82 cents as at 31 December 2023 to 10.64 cents.

(iii) Earnings per Share (“EPS”)

EPS of the Company will decrease from 1.36 cents in FY2023 to 1.19 cents.

We recommend the Independent Directors to advise the Shareholders to read Section 5 of the Circular carefully, in particular the assumptions relating to the preparation of the financial effects of the Proposed Re-organisation (including the Capitalisation) on the Group.

4.8 Other relevant considerations

In assessing the terms of the Proposed Re-organisation, we have also considered the following:

4.8.1 Similar interested person transactions undertaken by the Group in the past

On 30 September 2022, the Company completed the acquisition of all the issued ordinary shares in the capital of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd. (“BU2”) (collectively, the “**Jewellery Services Group**”) from ACL (“**Jewellery Services Group Acquisition**”). The Jewellery Services Group is in the business of the manufacture and sale of jewellery in Singapore under the “Lee Hwa” and “Goldheart” brands. BU2 provides internal procurement services. The aggregate consideration for the Jewellery Services Group Acquisition was S\$99.8 million (“**Jewellery Services Consideration**”), of which S\$37.0 million was satisfied in cash and by way of an offset of certain outstanding debts and S\$50.8 million was to be satisfied by the allotment and issuance of new Shares at an issue price that was based on the volume weighted average price of the Shares for a period of five trading days prior to the date of the relevant sale and purchase agreement on which transactions in the Shares were recorded. We noted that there was a further earn-out consideration of up to S\$12.0 million to be satisfied in cash and the allotment and issuance of new Shares at the aforementioned issue price.

The market value of the Jewellery Services Group as ascribed by the independent valuer was between S\$98.4 million to S\$115.6 million, with an average market value of S\$107.0 million. The Jewellery Services Consideration represented a discount of approximately 6.73% to the average market value of the Jewellery Services Group.

We note that the consideration-to-average Market Value discount of 7.69% in respect of the Proposed Re-organisation is generally in line with the consideration-to-average market value discount in respect of the Jewellery Services Group Acquisition previously undertaken by the

Group, which was also an interested person transaction involving an acquisition by the Group of jewellery businesses from ACL.

4.8.2 Abstention from recommendation and voting

In accordance with Rule 812(2) and Rule 919 of the Catalist Rules, ACL, the Koh Siblings and their respective associates will abstain from (a) deliberating and making any recommendation to the Board and the Shareholders in respect of the resolutions in connection with the Proposed Re-organisation and the Proposed Allotment, and (b) voting on the aforementioned resolutions.

4.8.3 Inter-conditionality of the resolutions relating to the Proposed Re-organisation and Proposed Allotment

We note that the resolution approving the Proposed Re-organisation (“**Ordinary Resolution 1**”) and the resolution approving the Proposed Allotment (“**Ordinary Resolution 2**”) are inter-conditional. If either Ordinary Resolution 1 or Ordinary Resolution 2 is not approved by Shareholders, both Ordinary Resolution 1 on the Proposed Re-organisation and Ordinary Resolution 2 on the Proposed Allotment will not be passed.

4.8.4 Dilution in percentage of shareholding of public shareholders

The shareholdings of public shareholders will decrease by approximately 1.33 percentage points, from approximately 14.74% to 13.41%.

5 OUR OPINION

In determining if the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on, *inter alia*, the following factors:

- (a) rationale for and the benefit to the Company arising from the Proposed Re-organisation;
- (b) the Consideration of S\$18.0 million is within the range of the Market Value of the Target Group of S\$17.0 million to S\$21.9 million (rounded to the nearest one (1) decimal place) as appraised by the Independent Valuer;
- (c) the P/Pro forma NAV ratio of 1.44 times and EV/S ratio of 0.95 times of the Target Group, as implied by the Consideration, are within the range of the relevant statistics of the Target Comparable Companies;
- (d) the Issue Price is at a premium of 0.4%, 2.9%, 2.7%, and 2.0% to the VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day, and at a premium of 0.6% to the VWAP of the Shares on the Last Traded Day;
- (e) the Issue Price represents a premium of approximately 1.8% to the VWAP of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date, and represents a premium of approximately 0.8% to the VWAP of the Shares as at the Latest Practicable Date;
- (f) the Issue Price is within the range of the highest and lowest transacted prices of the Shares during the Reference Period;

- (g) the Shares are thinly traded, with the ADTV of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Traded Day respectively, representing less than 0.1% of the free float for each of the relevant reference periods. The ADTV of the Shares as at the Last Traded Day represents less than 0.1% of the free float;
- (h) the ADTV of the Shares for the period immediately after the Last Traded Day and up to the Latest Practicable Date represents less than 0.1% of the free float and the ADTV of the Shares on the Latest Practicable Date represents less than 0.1% of the free float as well;
- (i) the Issue Price represents a premium of (i) 1.1 cents or 9.47% to the NAV per Share of the Group; and (ii) 1.6 cents or 14.48% to the NTA per Share of the Group. The Issue Price represents a premium of (i) 1.5 cents or 13.15% to the Adjusted NAV per Share of the Group; and (ii) 2.0 cents or 18.50% to the Adjusted NTA per Share of the Group;
- (j) the EV/EBITDA, PER, P/NAV and P/Adjusted NAV ratios of the Group, as implied by the Issue Price, of 9.48 times, 9.39 times, 1.09 times and 1.13 times, respectively are above the range of the relevant statistics of the ALL Comparable Companies;
- (k) the pro forma financial effects to the Proposed Re-organisation; and
- (l) other relevant considerations as set out in Section 4.8 of the IFA Letter.

We have carefully considered as many factors as we deem essential before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date and based on our analyses, we are of the opinion that the terms of the Proposed Re-organisation (including the Proposed Allotment) are normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We would like to highlight that the above analyses are based upon market, economic, industry, monetary and other conditions prevailing as well as information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein.

We wish to emphasise that the Directors or the Management have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, *inter alia*, relied on the relevant statements contained in the Circular, confirmations, advice and representations by the Directors and the Management, and the Company's announcements in relation to the Proposed Re-organisation (including the Proposed Allotment). In addition, Directors should note that we have arrived at our opinion based on information made available to us prior to and including the Latest Practicable Date.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Proposed Re-organisation (including the Proposed Allotment), which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of Proposed Re-organisation (including the Proposed Allotment) *vis-à-vis* any alternative transaction(s) previously considered by the Company or transaction(s) that the Company may consider in the future.

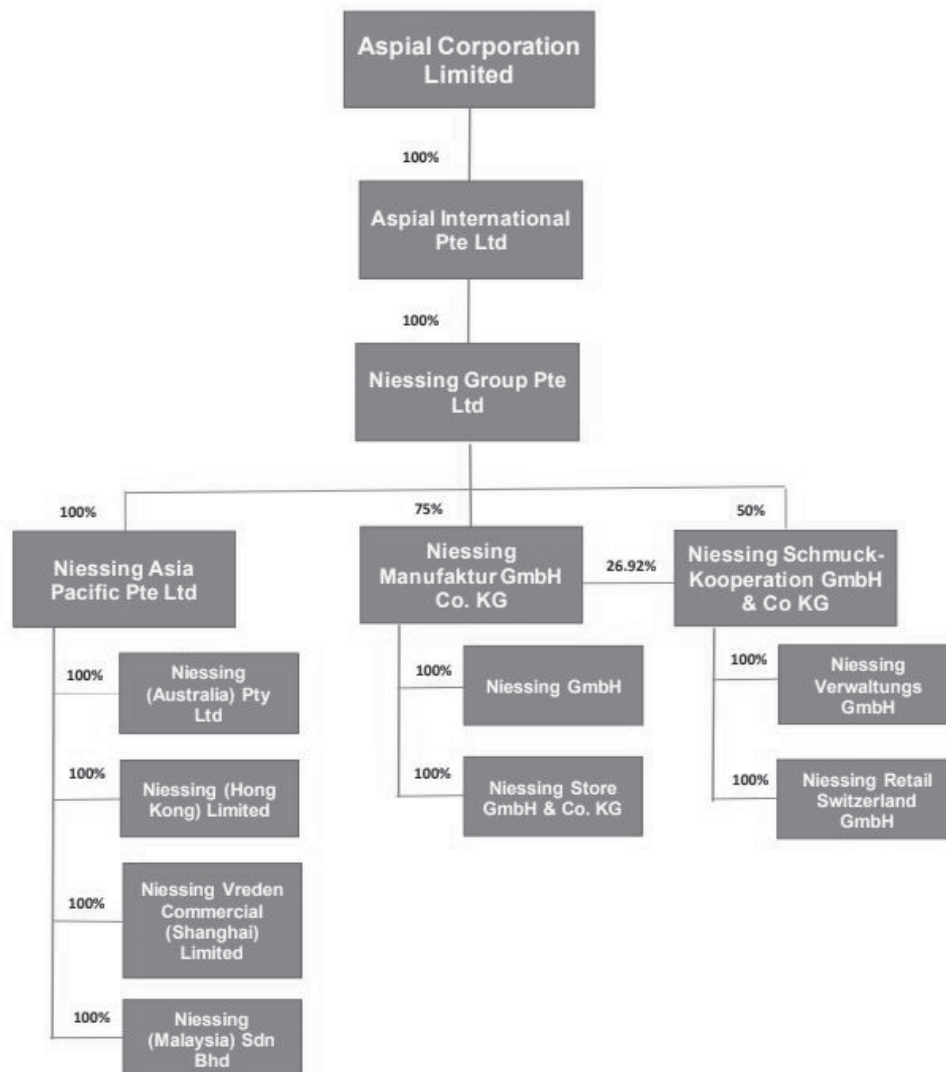
We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Catalist Rules as well as for use by the Independent Directors in connection with their consideration of the Proposed Re-organisation (including the Proposed Allotment), but any recommendations made by the Independent Directors in respect of the Proposed Re-organisation (including the Proposed Allotment) shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than relating to the Proposed Re-organisation (including the Proposed Allotment), at any time and in any manner without the prior written consent of ZICO Capital. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan Tiong Huat
Chief Executive Officer

Karen Soh-Tham Lye Kit
Managing Director

APPENDIX C – STRUCTURE OF THE TARGET GROUP PRIOR TO COMPLETION OF THE PROPOSED RE-ORGANISATION



Note:

Please refer to paragraph 2.2 of the Letter to Shareholders in this Circular for further details on the holdings.

ASPIAL LIFESTYLE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200806968Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Aspial Lifestyle Limited (the “**Company**”) will be held at Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 on 27 June 2024 at 10.00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions which will be proposed as Ordinary Resolutions. All capitalised terms used in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 12 June 2024 (the “**Circular**”).

Shareholders should note that the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 will be deemed not to have been passed, and if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 will be deemed not to have been passed.

In accordance with Rule 919 of the Catalist Rules and Rule 812(2) of the Catalist Rules, Aspial Corporation Limited (“**ACL**”), each of the Koh Siblings and their respective associates will abstain from voting on the Proposed Resolutions.

Ordinary Resolution 1: The Proposed Re-organisation

THAT, subject to and contingent upon the passing of Ordinary Resolution 2:

- (a) the entry by the Company into the SPA and all the transactions contemplated thereby, be approved, confirmed and ratified, and adopted; and
- (b) the directors of the Company (the “**Directors**”) and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required and to make such amendments thereto as the Directors may consider necessary, desirable and expedient) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

Ordinary Resolution 2: The Proposed Allotment

THAT, subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) the proposed allotment and issuance of 140,625,000 new ordinary shares in the capital of the Company (“**Shares**”) to ACL at an issue price of S\$0.128 per Share pursuant to the terms and conditions of the SPA, be approved, confirmed and ratified, and adopted; and
- (b) the Directors and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required and to make such amendments thereto as the Directors may consider necessary, desirable and expedient) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Lim Swee Ann
Company Secretary
12 June 2024

Notes:

- (1) The EGM will be held, in a **wholly physical format**, at Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 on 27 June 2024 at 10.00 a.m.. There will be no option for members of the Company ("**Members**") to participate virtually. Printed copies of this Notice of EGM, the accompanying Proxy Form and Request Form (collectively, the "**Documents**") will be sent by post to Members. The Documents together with the Circular will be made available on the Company's website at the URL <https://www.aspiallifestyle.com/investor-relations/> and on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.

Members may request physical copies of this Circular by filling out the Request Form and returning it by post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or if by email to aspiallifestyleEGM@aspiallifestyle.com, enclosing a clear scanned completed and signed Request Form, no later than 10.00 a.m. on 19 June 2024.

- (2) A member who is unable to attend the EGM and wishes to appoint proxy(ies) to attend, speak and vote at the EGM on his/her/its behalf should complete, sign and return the Proxy Form in accordance with the instructions printed thereon.
- (3) A member of the Company (other than a Relevant Intermediary as defined in Note 4 below) entitled to attend and vote at the EGM is entitled to appoint no more than two (2) proxies to attend and vote in his or her stead. A proxy need not be a member of the Company and where a member appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the Proxy Form.
- (4) A member of the Company who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than two (2) proxies to attend and vote in his or her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company and where a member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore ("**SFA**") and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (5) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (6) The signed Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a certified copy thereof, must be:
- (a) lodged at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) submitted by email to aspiallifestyleEGM@aspiallifestyle.com,

in either case, by no later than 10.00 a.m. on 24 June 2024, being no less than 72 hours before the time appointed for holding this EGM, failing which the Company shall be entitled to regard the Proxy Form as invalid.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of proxy(ies) for the EGM will be deemed to be revoked by the member attending the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form(s) to the EGM.

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one (1) Proxy Form).

In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the SFA, the Company may reject any Proxy Form lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Members who hold their shares through a Relevant Intermediary (as defined in Section 181 of the Companies Act (including Central Provident Fund (“CPF”) Investment Scheme members or Supplementary Retirement Scheme (“SRS”) investors) and who wish to exercise their votes by appointing a proxy should approach their respective Relevant Intermediaries (including their CPF agent banks or SRS approved banks) to submit their voting instructions at least seven (7) working days prior to the date of the EGM.

(7) **Submission of Questions in Advance**

Members may submit questions ahead of the EGM or raise questions at the EGM. For Members of the Company who would like to submit questions ahead of the EGM, they may do so by 5.00 p.m. on 19 June 2024:

- (a) via email to aspiallifestyleEGM@aspiallifestyle.com; or
- (b) via post to the registered office of the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

For verification purposes, Members submitting questions are requested to state: (a) their full name, (b) their email address, and (c) the manner in which they hold shares in the Company (e.g., via CDP, SRS and/or physical scrip), failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to answer all substantial and relevant questions received from members by 5.00 p.m. on 19 June 2024 by publishing the Company’s responses to such questions on the SGXNet at <https://www.sgx.com/securities/company-announcements> no later than 10.00 a.m. on Saturday, 22 June 2024, being at least forty-eight (48) hours before the closing date and time for the lodgement of the Proxy Form.

The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the EGM) received after the 19 June 2024 submission deadline which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM, at the EGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The minutes of the EGM will be published on the SGXNet within one (1) month after the date of the EGM.

Personal Data Privacy:

By submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of the Company and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “Purposes”),
- (b) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

The member’s personal data and its proxy(ies)’s and/or representative(s)’s personal data may be disclosed or transferred by the Company to its subsidiaries, its Share Registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company’s verification and record purposes.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member may be recorded by the Company for such purposes.

EGM Documents

EGM-related documents are available on the Company’s corporate website at <https://www.aspiallifestyle.com/investor-relations/> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

This Notice of EGM has been reviewed by the Company’s sponsor, SAC Capital Private Limited (“Sponsor”). This Notice of EGM has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Lee Khai Yinn, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (+65) 6232 3210.

ASPIAL LIFESTYLE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200806968Z)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore may appoint more than two proxies to attend, speak and vote at the Company's Extraordinary General Meeting ("EGM").
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting a proxy form appointing a proxy(ies) and/or representative(s), members of the Company ("Members") accept and agree to the personal data privacy terms set out in the Notice of EGM dated 12 June 2024.
4. For purposes of the appointment of a proxy(ies)/representative(s), member(s)' and their proxy(ies)/representative(s)' full name and full NRIC/passport number will be required for verification purposes. Proxy(ies)/representative(s) must also produce their NRIC/passport for sighting upon registration at the EGM to ensure that only the duly authorised proxy(ies)/representative(s) attend and vote at the EGM. The Company reserves the right to refuse admittance to the EGM if the proxy(ies)/representative(s)' identity cannot be verified accurately.

I/We*, _____ (Name) _____ (NRIC / Passport / Company Reg. No.*)

of _____ (Address)

being a member/members* of Aspial Lifestyle Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholding	
			No. of Shares	%

and/or*

Name	Address	NRIC/Passport No.	Proportion of Shareholding	
			No. of Shares	%

or failing him/her*, the Chairman of the EGM of the Company as my/our proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 on Thursday, 27 June 2024 at 10.00 a.m., and at any adjournment thereof.

I /We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matters arising at the EGM.

All resolutions put to the vote of the EGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

*Delete where inapplicable

	Number of Votes For [#]	Number of Votes Against [#]	Number of Votes Abstain [#]
Ordinary Resolution 1 To approve the Proposed Re-organisation			
Ordinary Resolution 2 To approve the Proposed Allotment			

If you wish to exercise all your votes "For" or "Against" or to "Abstain", please indicate with a "X" within the box provided. Alternatively, please indicate the number of votes as appropriate. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2024.

Total number of shares held

CDP Register

Register of Members

Total:

Signature(s) of Member(s) or Common Seal



Notes:

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore (“SFA")), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the shares in the capital of the Company held by you.
- (2) A member of the Company (other than a Relevant Intermediary as defined in Note 3 below) entitled to attend and vote at the EGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company and where a member appoints two (2) proxies, the member must specify the proportion of shareholdings to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- (3) A member of the Company who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than two (2) proxies to attend and vote in his or her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company and where a member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

“Relevant Intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore (“SFA”) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board (“CPF Board”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (4) The signed proxy form shall be lodged at the registered office of the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 OR submitted by email to aspiallifestyleEGM@aspiallifestyle.com, in either case, by no later than 10.00 a.m. on 24 June 2024, being 72 hours before the time appointed for holding the EGM of the Company, failing which the Company shall be entitled to regard the proxy form as invalid.
 - (5) The proxy form must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or signed its attorney or a duly authorised officer of the corporation.
 - (6) Where a proxy form appointing is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
 - (7) A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the EGM of the Company, in accordance with Section 179 of the Companies Act 1967 of Singapore.
 - (8) Completion and submission of the proxy form by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant proxy form(s) to the EGM.
 - (9) The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form (such as in the case where the appointor submits more than one (1) proxy form).
 - (10) In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the SFA), the Company may reject any proxy form lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 June 2024.