



ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Registration Number: 197001030G)

PROPOSED SALE AND RE-ORGANISATION OF LOCAL JEWELLERY BUSINESS TO MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Aspial Corporation Limited (“**Aspial**” or the “**Company**”) and collectively with its subsidiaries, the “**Aspial Group**”) wishes to announce that Aspial has on 7 July 2022 entered into a sale and purchase agreement (the “**SPA**”) with its subsidiary, Maxi-Cash Financial Services Corporation Ltd. (the “**Purchaser**”), pursuant to which Aspial has agreed to sell and procure the sale of, and the Purchaser has agreed to acquire, all the issued ordinary shares (the “**Sale Shares**”) in the capital of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd., which are wholly-owned subsidiaries of Aspial, on the terms and subject to the conditions of the SPA (the “**Proposed Sale and Re-organisation**”).
- 1.2 The Proposed Sale and Re-organisation constitutes:
- 1.2.1 a major transaction under Chapter 10 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), which will be subject to, *inter alia*, approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting to be convened (“**EGM**”); and
- 1.2.2 an interested person transaction under Chapter 9 of the Listing Manual, which will be subject to, *inter alia*, approval of the Shareholders at the EGM.
- 1.3 Further information on the Proposed Sale and Re-organisation will be provided in a circular to Shareholders (the “**Circular**”) to be issued by the Company in due course for the purpose of convening the EGM.

2. INFORMATION RELATING TO THE COMPANY, THE TARGET GROUP AND THE PURCHASER

2.1 Information relating to the Company

The Company is a company incorporated in Singapore on 12 November 1970 and was listed on the Mainboard of the SGX-ST on 21 June 1999. The Company 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).

2.2 Information relating to the Target Group

2.2.1 Corporate information. Information relating to the entities which are the subject of the Sale Shares, together with their subsidiaries (collectively, the “**Target Group**”), is as follows:

- (i) **Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.** Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. is a company incorporated in Singapore on 25 March 2000. It has an issued and paid-up share capital of S\$45,000,000 comprising 45,000,000 ordinary shares and its sole shareholder is Aspial;
- (ii) **Aspial-Lee Hwa Jewellery Pte. Ltd.** Aspial-Lee Hwa Jewellery Pte. Ltd. is a company incorporated in Singapore on 8 November 1997. It has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 ordinary shares and its sole shareholder is Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.;
- (iii) **Goldheart Jewelry Pte. Ltd.** Goldheart Jewelry Pte. Ltd. is a company incorporated in Singapore on 29 October 1977. It has an issued and paid-up share capital of S\$8,150,000 comprising 8,150,000 ordinary shares and its sole shareholder is Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.;
- (iv) **Aspial Capital (Ubi) Pte. Ltd.** Aspial Capital (Ubi) Pte. Ltd. is a company incorporated in Singapore on 31 October 2016. It has an issued and paid-up share capital of S\$4,000,000 comprising 4,000,000 ordinary shares. Each of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. and the Purchaser hold 2,000,000 ordinary shares in the capital of Aspial Capital (Ubi) Pte. Ltd.;
- (v) **Gold Purple Pte. Ltd.** Gold Purple Pte. Ltd. is a company incorporated in Singapore on 18 March 1999. It has an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares and its sole shareholder is Aspial; and
- (vi) **BU2 Services Pte. Ltd.** BU2 Services Pte. Ltd. is a company incorporated in Singapore on 28 March 2006. It has an issued and paid-up share capital of S\$2 comprising two ordinary shares and its sole shareholder is Aspial International Pte Ltd, which is a direct wholly owned subsidiary of Aspial.

2.2.2 Business. The Target Group is in the business of the manufacture and sale of jewellery in Singapore under the “Lee Hwa” and “Goldheart” brands.

2.2.3 Financial information. Based on the combined unaudited management accounts of the Target Group for the financial year ended 31 December 2021 (“**FY2021**”):

- (i) the book value and net tangible asset value (“**NTA**”) of the Target Group as at 31 December 2021 were approximately S\$65.6 million and S\$61.8 million respectively; and
- (ii) the net profits after tax of the Target Group for FY2021 were approximately S\$12.5 million.

As at the date of this Announcement, there is no available open market valuation of the Sale Shares. As such, in connection with the Proposed Sale and Re-organisation, Aspial and the Purchaser have appointed BDO Advisory Pte Ltd and RSM Corporate Advisory Pte Ltd (the “**Valuers**”) respectively to conduct independent valuations of the Target Group, including the market valuation of the Sale Shares, as at 31 March 2022. Details of the Valuation Report or valuation certificate to be issued by BDO Advisory Pte Ltd will be set out in the Circular to be despatched to the Shareholders in due course.

2.2.4 Interim Dividends. From 1 January 2022 to the date of this Announcement, the Target Group had declared and paid interim dividends aggregating to approximately S\$23.6 million to Aspial.

2.3 Information relating to the Purchaser

2.3.1 The Purchaser 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. The Purchaser, its subsidiaries and associated companies (collectively, the “**Purchaser Group**”) offer the following services:

- (i) financial services in the form of pawnbroking;
- (ii) the retail and trading of jewellery and branded merchandise through its pawnshops and retail outlets. As at the date of this Announcement, the Purchaser Group has pawnshops and retail outlets across Singapore, Malaysia, Hong Kong and Australia; and
- (iii) secured lending.

2.3.2 The Purchaser is a subsidiary of the Company. As at the date of this Announcement, the Company has a direct interest in 667,446,769 issued ordinary shares in the capital of the Purchaser (the “**Maxi-Cash Shares**”), representing approximately 62.56 per cent. of the total issued Maxi-Cash Shares.

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED SALE AND RE-ORGANISATION

The Company's overarching intentions and objective is to streamline its investments, businesses, and operations, and the corporate structure of the Aspial Group.

In line with the above, the Company had acquired and privatised its subsidiary, World Class Global Limited in 2021. As part of the Board's ongoing strategic reviews, the Board is now proposing the Proposed Sale and Re-organisation given the synergy between the businesses of Purchaser and the Target Group. The Proposed Sale and Re-organisation will enable the Aspial Group to focus and consolidate its local retail business segment under the management of the Purchaser. It is also expected to have the following benefits:

- The Proposed Sale and Re-organisation will allow the Company (through the enlarged Purchaser Group) to create and benefit from group-wide synergies and cost savings in areas of organisational structure, systems, processes and knowledge transfer across various business and support functions in the Purchaser Group, including, but not limited to, marketing, merchandising, operations, information technology, finance and human resources.
- With the enlarged scale, the Company (through the enlarged Purchaser Group) will be able to benefit from an improved relative bargaining position when dealing with business partners, suppliers, vendors and lenders.
- The enlarged scale of the business and operations will enable the Company (through the Purchaser Group) to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities. This will allow the Company (through the Purchaser Group) to attract, train and retain talent, which in turn will drive long-term growth of the Aspial Group (including the Purchaser Group).
- The enlarged Purchaser Group will be able to significantly increase its retail presence in Singapore, with the addition of the Target Group's 25 retail outlets¹ islandwide in Singapore.
- The Proposed Sale and Re-organisation will also help minimise any potential and/or existing conflicts of interests between the Purchaser Group and the Target Group, and any transactions entered between the Purchaser Group and the Target Group will no longer be considered as interested person transactions. Accordingly, this will provide the Company (through the enlarged Purchaser 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 both the Purchaser Group's and the Company's compliance costs and expenses.

After the Proposed Sale and Re-organisation, the Purchaser will remain at least a 71.78 per cent. -owned subsidiary² of the Company and its financial results will continue to be consolidated to the Aspial Group's financials. Therefore, the Aspial Group and its shareholders will be able to continue to participate in the growth prospects of the Purchaser Group, thereby enhancing shareholders' value. Upon completion of the Proposed Sale and Re-organisation, the Company will continue to be principally engaged in its diversified portfolio of businesses including real estate, the refocused local retail business (including the local jewellery and financial services businesses), and other investments (including the hospitality business through its associate AF Global Limited). Further, given that the completion of the Proposed

¹ As at the date of this Announcement.

² Based on the total Consideration (assuming the Earn-out Consideration is paid in full).

Sale and Re-organisation is expected to result in the Company increasing its equity interest in the Purchaser, the Board is of the view that the Proposed Sale and Re-organisation will be in the best interests of the Aspial Group and its shareholders.

4. PRINCIPAL TERMS OF THE SPA

4.1 Consideration for the Proposed Sale and Re-organisation

4.1.1 **Consideration.** The aggregate consideration (the “**Consideration**”) for the Proposed Sale and Re-organisation is up to S\$99.8 million, which comprises:

- (i) S\$87.8 million (the “**Base Consideration**”), payable on completion of the sale and purchase of the Sale Shares pursuant to the SPA (“**Closing**”), which shall be satisfied by:
 - (a) the payment of an amount of S\$37.0 million (the “**Base Consideration Cash Amount**”) comprising:
 - (I) the settlement by the Purchaser of the debt of an amount not exceeding S\$22.0 million owing from Aspial to the Target Group (the “**Outstanding Debt**”) which shall be offset against an equivalent portion of the Base Consideration Cash Amount;
 - (II) S\$7.5 million in cash (the “**Deferred Base Consideration Cash Amount**”) to be paid by the Purchaser to Aspial on the date falling three months after the Closing Date³ (as defined in paragraph 4.3.1) (the “**Relevant Date**”); and
 - (III) a remaining amount in cash (the “**Closing Base Consideration Cash Amount**”) equivalent to the Base Consideration Cash Amount LESS the aggregate of (i) the Outstanding Debt (as defined in paragraph 4.1.1(a)(I)); and (ii) the Deferred Base Consideration Cash Amount (as defined in paragraph 4.1.1(a)(II)) to be paid by the Purchaser to Aspial on Closing. For illustrative purposes, the Closing Base Consideration Cash Amount will amount to S\$7.5 million⁴ if the Outstanding Debt amounts to S\$22.0 million at Closing; and
 - (b) an amount of S\$50.8 million (the “**Consideration Share Amount**”) which shall be satisfied by the allotment and issuance of 311,656,441 new ordinary shares in the capital of the Purchaser (“**Base Consideration Shares**”) to Aspial at an issue price of S\$0.163 (the “**Issue Price**”) for each Base Consideration Share. The Issue Price is based on the volume weighted average price of the Maxi-Cash Shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the Maxi-Cash Shares were recorded; and

³ Unless such payment is further deferred as described in paragraph 4.1.2.

⁴ Being S\$37.0 million LESS (i) S\$22.0 million (being the Outstanding Debt); and (ii) S\$7.5 million (being the Deferred Base Consideration Cash Amount).

- (ii) up to S\$12.0 million (the “**Earn-out Consideration**”), which shall be satisfied by:
 - (a) S\$6.0 million in cash (the “**Earn-out Consideration Cash Amount**”); and
 - (b) an amount of S\$6.0 million which shall be satisfied by the allotment and issuance of 36,809,815 new ordinary shares in the capital of the Purchaser (the “**Earn-out Consideration Shares**”, and together with the Base Consideration Shares, the “**Consideration Shares**”) to be issued to Aspial at the Issue Price⁵ for each Earn-out Consideration Share.

4.1.2 Deferred Base Consideration Cash Amount. Aspial and the Purchaser may mutually agree to a deferral in the payment of the Deferred Base Consideration Cash Amount provided that the entire Deferred Base Consideration Cash Amount be paid in full no later than the date falling six months from the Relevant Date.

4.1.3 Adjustments to Base Consideration Shares and Earn-out Consideration Shares. If a variation in the ordinary share capital of the Purchaser shall take place (including by way of, *inter alia*, consolidation, subdivision or reclassification of shares, capitalisation issues, rights, warrants or other convertibles issues and certain capital distributions (each, an “**Adjustment Event**”)) between the date of the SPA and the date the Earn-out Consideration Shares (if any) are issued pursuant to the terms of the SPA, the Parties agree that there shall be an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, to be issued to Aspial as described in paragraph 4.1.1 above, so as to prevent a dilution of the percentage shareholding held by Aspial in the Purchaser. Notwithstanding the above, where an Adjustment Event occurs which does not result in a pro rata dilution of the percentage shareholding held by Aspial in the Purchaser, the Parties may (acting reasonably) mutually agree to an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, that the Parties determine to be fair and reasonable to take into account such Adjustment Event had it occurred prior to the date of the SPA, in particular, if the Adjustment Event would have resulted in a reduction in the Issue Price.

4.1.4 Earn-out Consideration. In the event the audited combined total profit after tax of the Target Group for the financial year ending 31 December 2022, excluding any (i) extraordinary/exceptional items, including but not limited to one-off income, expenses or write offs not in the ordinary course of the Target Group’s business, (ii) profit or loss attributable to non-controlling interest, (iii) other comprehensive income or loss (if any), and (iv) fair value gain or loss to the Target Group’s properties and securities (“**FY2022 NPAT**”) is:

- (i) at least S\$10.0 million, the Purchaser shall make payment of the entire Earn-out Consideration to Aspial;
- (ii) less than S\$10.0 million, the Purchaser shall make a pro rata payment of the Earn-out Consideration to Aspial in accordance with the formulae set out as follows:

⁵ For the avoidance of doubt, the Issue Price is based on the volume weighted average price of the Purchaser’s shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the Purchaser’s shares were recorded.

Pro-rated cash : $\frac{\text{FY2022 NPAT (in millions)}}{10}$ * the Earn-out
 portion of the Earn- Consideration Cash
 out Consideration Amount
 Cash Amount to be
 paid by the
 Purchaser to Aspial

Pro-rated Earn-out : $\frac{\text{FY2022 NPAT (in millions)}}{10}$ * the Earn-out
 Consideration Consideration
 Shares to be issued
 by the Purchaser to
 Aspial Shares

The Earn-out Consideration (or such proportion thereof) shall be paid by the Purchaser to Aspial within 30 days of the completion of a special purpose audit of the Target Group to be undertaken for the purposes of determining the FY2022 NPAT (the “**Special Audit**”) of, or such longer period, up to a maximum of six months after such Special Audit is completed.

4.1.5 Basis of Consideration. 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, (iii) the average of the indicative market values of the Sale Shares based on the preliminary valuations conducted by the Valuers, and (iv) the proposed terms and formulae of the Consideration.

4.2 Conditions Precedent

Closing is subject to the fulfilment and satisfaction or waiver of the following conditions precedent:

- 4.2.1 all consents, approvals and authorisations of Governmental Authorities (as defined in the SPA) and any counterparties to the contracts entered into by the Aspial Group, Target Group or the Purchaser 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 Aspial and the Purchaser (acting reasonably and in good faith);
- 4.2.2 approval by the Shareholders of the sale of the Sale Shares on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual);
- 4.2.3 no event having occurred which has a material adverse effect on the turnover, profitability, financial or trading position or prospects of the Target Group as a whole, not being an event affecting or likely to affect generally all companies carrying on similar businesses;
- 4.2.4 no notice of termination having been received by any Target Group Company in connection with any material contract, lease, licence or other similar commercial arrangement to which the Target Group Company is a party, as identified by the Target Group and agreed in writing by the Purchaser, and none of such material contracts,

leases, licences or commercial arrangements being adversely affected to a material extent, as a result of the entry by Aspial into the SPA and/or the transactions contemplated under the SPA;

- 4.2.5 the net asset value of the Target Group as derived from the combined unaudited management accounts of the Target Group for the most recent completed quarter prior to Closing not being less than S\$40.0 million;
- 4.2.6 the Seller's Warranties (as defined in the SPA) being and remaining true, accurate and not misleading in all material respects as at the date of the SPA and as at the Closing Date (as defined in paragraph 4.3.1);
- 4.2.7 no injunction, interim or otherwise, having been granted in respect of Aspial, any Target Group Company or the Purchaser, and no laws having been enacted or proposed, which would prohibit or restrict (i) Aspial or the Purchaser from entering into or performing their obligations under the SPA; and/or (ii) the implementation of the transactions contemplated by the SPA;
- 4.2.8 approval by the shareholders of the Purchaser of the acquisition of the Sale Shares and the allotment and issuance of the Consideration Shares to Aspial on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual); and
- 4.2.9 receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for all the Consideration Shares on the SGX-ST, on conditions (if any) reasonably acceptable to both Aspial and the Purchaser and such notice not being revoked or amended, and any such conditions which are required to be fulfilled on or before the Closing Date (as defined in paragraph 4.3.1) being fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST.

4.3 Closing Date and Cut-off Date

- 4.3.1 Closing will take place on the date falling five (5) business days after the date of satisfaction or waiver of the last of the conditions in the SPA, or such other date as may be agreed by Aspial and the Purchaser in writing (the "**Closing Date**").
- 4.3.2 If any of the conditions precedent in the SPA are not satisfied or waived on or before 31 December 2022 or such other date as may be agreed in writing between the Purchaser and Aspial, Aspial or the Purchaser may, in its absolute discretion, terminate the SPA (other than certain provisions specified to survive the termination of the SPA) and neither Aspial nor the Purchaser shall have any claim against the other under the SPA, save for any claim arising from antecedent breaches of the SPA.

5. INTERESTS OF THE COMPANY IN MAXI-CASH SHARES

- 5.1 The interests of the Company in Maxi-Cash Shares as at the date of this Announcement, assuming the Proposed Sale and Re-organisation is completed and the Earn-Out Consideration is paid in full is as follows:

	As at the date of this Announcement		Immediately following the completion of the Proposed Sale and Re-organisation		Immediately following the payment of the Earn-Out Consideration	
	Number of Maxi-Cash Shares	% ⁽¹⁾	Number of Maxi-Cash Shares	% ⁽²⁾	Number of Maxi-Cash Shares	% ⁽³⁾
Company	667,446,769	62.56	979,103,210	71.02	1,015,913,025	71.78

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 1,066,927,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the date of this Announcement.
- (2) The figures are computed based on the issued and paid-up share capital of 1,378,583,675 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,927,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the date of this Announcement; and (b) 311,656,441 Base Consideration Shares.
- (3) The figures are computed based on the issued and paid-up share capital of 1,415,393,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings and subsidiary holdings), being the aggregate of (a) the 1,066,927,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the date of this Announcement; (b) 311,656,441 Base Consideration Shares; and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

6. EXCESS IN SALES PROCEEDS AND USE OF PROCEEDS

The Company intends to utilise the proceeds of the Proposed Sale and Re-organisation for general working capital purposes. The total Consideration represents an excess of approximately S\$34.2 million over the book value of the Target Group, based on the combined unaudited management accounts of the Target Group for FY2021.

However, there is no gain or loss on disposal to the Aspiat Group pursuant to the Proposed Sale and Re-organisation because (i) the Company will continue to consolidate the financial results of the Purchaser Group (including the Target Group) upon the completion of the Proposed Sale and Re-organisation and (ii) the Purchaser will continue to remain as a subsidiary of the Aspiat Group. Therefore, any such gain or loss pursuant to the Proposed Sale and Re-organisation of the Target Group will be eliminated as inter-company adjustments for the Aspiat Group.

7. PRO FORMA FINANCIAL EFFECTS IN RESPECT OF THE PROPOSED SALE AND RE-ORGANISATION

7.1 Bases and Assumptions. The unaudited pro forma financial effects below are purely for illustrative purposes only and are therefore not necessarily indicative of the actual and/or future financial position and performance of the Aspiat Group following the Proposed Sale and Re-organisation.

Such unaudited pro forma financial effects for the Proposed Sale and Re-organisation have been prepared based on the audited consolidated financial statements of the Aspiat Group for FY2021 being the most recently completed financial year for which financial statements are publicly available as at the date of this Announcement.

7.2 Net Tangible Assets per Share

The effect of the Proposed Sale and Re-organisation on the NTA per issued ordinary share in the capital of Aspial (“**Aspial Shares**”) as at 31 December 2021, assuming that the Proposed Sale and Re-organisation had been completed on 31 December 2021 is as follows:

As at 31 December 2021	Before the Proposed Sale and Re-organisation	After the Proposed Sale and Re-organisation⁽¹⁾
Net Assets attributable to equity holder of the Company (S\$)	352,728,000	350,970,000
Less: Intangibles (S\$)	(9,444,000)	(9,444,000)
Less: Net Deferred Tax Assets / (Liabilities) ⁽²⁾ (S\$)	34,100,000	34,100,000
NTA attributable to equity holder of the Company (S\$)	377,384,000	375,626,000
NTA per Share⁽³⁾ (cents)	17.42	17.34

Notes:

- (1) Based on the total Consideration (assuming the Earn-out Consideration is paid in full).
- (2) Computed based on deferred tax assets, net of deferred tax liabilities.
- (3) Based on 2,166,194,245 Aspial Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2021.

7.3 Earnings per Share

The effect of the Proposed Sale and Re-organisation on the earnings per share of the Aspial Group for FY2021, assuming that the Proposed Sale and Re-organisation had been completed on 1 January 2021 is as follows:

FY2021	Before the Proposed Sale and Re-organisation	After the Proposed Sale and Re-organisation⁽¹⁾
Loss after tax attributable to the owners of the Company (S\$)	(363,000) ⁽²⁾	(2,401,000) ⁽²⁾
Loss per share⁽³⁾ (in cents)	(0.02)	(0.12)

Notes:

- (1) Based on the total Consideration (assuming the Earn-out Consideration is paid in full).
- (2) The Aspial Group’s net profit after tax for FY2021 before the Proposed Sale and Re-organisation was S\$2,655,000. Assuming that the Proposed Sale and Re-organisation had been completed on 1 January 2021, the pro forma net profit after tax of the Aspial Group in FY2021 would remain at S\$2,655,000 as the Company will continue to consolidate the financial results of the Purchaser Group upon the completion of the Proposed Sale and Re-organisation since the Purchaser will continue to remain as a subsidiary of the Aspial Group.
- (3) Based on the weighted average number of 2,032,095,354 Aspial Shares for FY2021.

8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Sale and Re-organisation computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced audited consolidated financial statements of the Aspial Group for FY2021, are as follows:

Rule	Bases	Target Group	Aspial Group	Relative figure (%)
1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	S\$65,589,000 ⁽¹⁾	S\$437,530,000	14.99
1006(b)	Net profits attributable to the assets to be disposed of, compared with the group's net profits	S\$14,320,000	S\$6,586,000	217.43 ⁽²⁾⁽⁵⁾
1006(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	S\$99,800,000 ⁽³⁾	S\$212,287,036 ⁽⁴⁾	47.01
1006(d)	Number of equity securities to be issued as consideration compared with the number of equity securities previously in issue	Not applicable as no equity securities will be issued by Aspial pursuant to the Proposed Sale and Re-organisation.		
1006(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 to the Proposed Sale and Re-organisation.		

Notes:

- (1) Between 1 January 2022 and the date of this Announcement, the Target Group had declared and paid interim dividends, as described in paragraph 2.2.4 of this Announcement.
- (2) For FY2021, the Target Group formed part of the Aspial Group and the net profits attributable to the Target Group of S\$14,320,000 for FY2021 was consolidated with the financial information of the Aspial Group for FY2021. Following such consolidation, the net profits of the Aspial Group for FY2021 was S\$6,586,000. Upon completion of the Proposed Sale and Re-organisation, the Company will continue to hold a majority interest in the Purchaser and the Purchaser will continue to remain as a subsidiary of the Aspial Group. Therefore, the Company will continue to consolidate the financial results of the Purchaser Group upon the completion of the Proposed Sale and Re-organisation. More details are set out in paragraph 3 of this Announcement.

- (3) Based on the aggregate value of the Consideration of S\$99,800,000.
- (4) The market capitalisation of the Company was computed on the basis of 2,166,194,245 Aspiat Shares in issue (excluding treasury shares and subsidiary holdings) as at the date of this Announcement and the volume-weighted average price of S\$0.0980 per Aspiat Share on 1 July 2022, being the last market day preceding the date of the SPA in which Aspiat Shares were traded.
- (5) As the Proposed Sale and Re-organisation does not involve an acquisition of assets, the transaction is not classified as a very substantial acquisition or reverse takeover.

As the relative figures computed based on Rules 1006(b) and 1006(c) exceed 20 per cent., the Proposed Sale and Re-organisation constitutes a major transaction under Rule 1014 of the Listing Manual and shall be subject to the approval of the Shareholders.

9. THE PROPOSED SALE AND RE-ORGANISATION AS AN INTERESTED PERSON TRANSACTION

9.1 Entity at Risk and Interested Person. Mr Koh Wee Seng is a director, the chief executive officer and controlling shareholder of the Company. Ms Ko Lee Meng and Ms Koh Lee Hwee are directors and controlling shareholders of the Company.

As at the date of this Announcement, the interests of each of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee as recorded in the register of directors' shareholdings of the Purchaser are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	Number of Maxi-Cash Shares	% ⁽¹⁾	Number of Maxi-Cash Shares	% ⁽¹⁾
Koh Wee Seng	111,434,121	10.44	667,724,757 ⁽²⁾⁽³⁾	62.58
Koh Lee Hwee	28,196,664	2.64	674,828,251 ⁽²⁾⁽⁴⁾	63.25
Ko Lee Meng	17,581,376	1.65	668,906,251 ⁽²⁾⁽⁵⁾	62.69

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 1,066,927,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the date of this Announcement.
- (2) As at the date of this Announcement, the Company has a direct interest in 667,446,769 Maxi-Cash Shares, representing approximately 62.56 per cent. of the total issued Maxi-Cash Shares.
- (3) Mr Koh Wee Seng is deemed interested in the Maxi-Cash Shares held by (i) the Company and (ii) his spouse, Ms Lim Kwee Hua. Mr Koh Wee Seng is the brother of Ms Koh Lee Hwee and Ms Ko Lee Meng.
- (4) Ms Koh Lee Hwee is deemed interested in the Maxi-Cash Shares held by (i) the Company and (ii) her spouse, Mr Ng Sheng Tiong. Ms Koh Lee Hwee is the sister of Mr Koh Wee Seng and Ms Ko Lee Meng.
- (5) Ms Ko Lee Meng is deemed interested in the Maxi-Cash Shares held by (i) the Company and (ii) her spouse, Mr Koh Kian Soo. Ms Ko Lee Meng is the sister of Mr Koh Wee Seng and Ms Koh Lee Hwee.

Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee (the "**Koh Siblings**"), and their immediate family, have an interest of more than 30 per cent. in the Purchaser. Further, the Koh Siblings collectively have a direct interest in more than 5 per cent. in the Purchaser, other than through the Company.

Accordingly, the Purchaser is regarded as an associate of each of the Koh Siblings and an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual, and the Proposed Sale and Re-organisation is an interested person transaction under Chapter 9 of the Listing Manual.

- 9.2 Proposed Sale and Re-organisation.** The Consideration for the Proposed Sale and Re-organisation is S\$99,800,000 (assuming the Earn-out Consideration is paid in full), representing approximately 21.59 per cent. of the Aspial Group’s latest audited consolidated NTA.

Pursuant to Rule 906(1) of the Listing Manual, a company must obtain shareholders’ approval for an interested person transaction of a value equal to, or exceeding 5 per cent. of the group’s latest audited consolidated NTA. Consequently, the Proposed Sale and Re-organisation will be subject to the approval of the Shareholders.

The Koh Siblings and their associates will abstain from voting on any resolution relating to the Proposed Sale and Re-organisation at the EGM.

- 9.3 Independent Financial Adviser.** Pursuant to Rule 921(4)(a) of the Listing Manual, an independent financial adviser (“**IFA**”) is to be appointed to advise the directors of Aspial who are considered independent for the purposes of the Proposed Sale and Re-organisation (the “**Independent Aspial Directors**”) on whether the Proposed Sale and Re-organisation, as an interested person transaction, is on normal commercial terms and prejudicial to the interests of Aspial and its minority Shareholders.

Details relating to the IFA will be set out in the Circular and the IFA’s opinion will be set out in the letter by the IFA to the Independent Aspial Directors, a copy of which will be included in the Circular.

- 9.4 Audit Committee’s Statement.** The Audit Committee of Aspial comprises Mr Wong Soon Yum, Mr Kau Jee Chu, Ms Ng Bie Tjin @ Djuniarti Intan and Ms Ko Lee Meng. The Chairman of the Audit Committee is Mr Wong Soon Yum.

As the Purchaser is an associate of Ms Ko Lee Meng, Ms Ko Lee Meng is considered to be interested in the Proposed Sale and Re-organisation and has recused herself from the Audit Committee’s deliberations on the Proposed Sale and Re-organisation.

The Audit Committee (other than Ms Ko Lee Meng) will be obtaining an opinion from the IFA to be appointed before forming its view on whether the terms of the Proposed Sale and Re-organisation are on normal commercial terms and prejudicial to the interests of Aspial and its minority Shareholders, which will be set out in the Circular to be despatched to the Shareholders in due course.

9.5 Current and On-going Interested Person Transactions

- 9.5.1 Same Interested Person Transactions.** For the current financial year commencing on 1 January 2022 up to the date of this Announcement, the aggregate value of all transactions between the Company and the Koh Siblings and their associates (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) is approximately S\$13,239,000, representing approximately 2.86 per

cent. of the NTA of the Aspial Group, of which S\$3,508,000 falls within Rule 916(1) of the Listing Manual.

Details of the interested person transactions entered between the Aspial Group and the Koh Siblings and their associates for the current financial year commencing on 1 January 2022 up to the date of this Announcement (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) 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 2022 (excluding transactions less than S\$100,000) (S\$'000)
Global Premium Hotels Limited	Extend the maturity date of 6 per cent. notes from 2022 to 2024	7,080
Ng Sheng Tiong		480
Dynamic Project Management Services Pte. Ltd.	Corporate charges	146
Purchaser		1,200
AF Global Limited and its subsidiary		366
Purchaser		1,530
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Lease of premises from Aspial Capital (Ubi) Pte. Ltd.	1,397
Dynamic Project Management Services Pte Ltd		116
AF Global Limited and its subsidiary		116
World Class Global Pte. Ltd.		349
Purchaser		Provision of management services to Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. and Aspial International Pte. Ltd.
Purchaser and its subsidiary	Sale and purchase of jewellery	154
WCL (QLD) Margaret St Pty. Ltd.	Interest costs to be incurred by the Group for the loan from WCL (QLD) Margaret St Pty. Ltd.	110

9.5.2 Aggregate Interested Person Transactions. The aggregate value of all interested person transactions entered into by the Aspial Group for the current financial year commencing on 1 January 2022 up to the date of this Announcement (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) is approximately S\$13,239,000, representing approximately 2.86 per cent. of the NTA of the Aspial Group.

10. FURTHER INFORMATION

10.1 Directors' Service Contracts. No person is proposed to be appointed as a director of Aspial in connection with the Proposed Sale and Re-organisation. Accordingly, no service contract is proposed to be entered into between Aspial and any such person.

10.2 Interests of Directors and Controlling Shareholders. As at the date of this Announcement, save as disclosed in paragraphs 9.1 and 9.4 above, and save that Ms Ng Bie Tjin @ Djuniarti Intan has a direct interest in 1,105,200 Aspial Shares representing approximately 0.05 per cent. of the total issued Aspial Shares⁶, none of the directors or controlling shareholders of Aspial has any interest, direct or indirect, in the Proposed Sale and Re-organisation.

11. EGM AND CIRCULAR TO SHAREHOLDERS

The directors of Aspial will be convening an EGM to seek Shareholders' approval for the Proposed Sale and Re-organisation. The Circular to Shareholders containing, *inter alia*, further information on the Proposed Sale and Re-organisation, the valuation report or valuation certificate of Aspial's Valuer and enclosing the notice of the EGM will be despatched by the Company to the Shareholders in due course.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement which relate to the Company are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the Company jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection⁷ during normal business hours at the registered office of the Company at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 from the date of this Announcement for a period of three (3) months commencing from the date of this Announcement.

14. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in Aspial shares. The Proposed Sale and Re-organisation is subject to the fulfilment of conditions precedent under the SPA. There is no certainty or assurance that the Proposed Sale and Re-organisation will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult

⁶ Based on 2,166,194,245 Aspial Shares in issue as at the date of this Announcement.

⁷ Prior appointment is required in light of the COVID-19 situation.

their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lim Swee Ann
Company Secretary
7 July 2022