Clarabelle Tan
AVP - Ratings

Alka Anbarasu
Exec Dir - Ratings

Moody’s Ratings assigns First-Time Issuer Ratings of Ba1 to Aspial Lifestyle; outlook stable

Singapore, <Rating Date Pending> -- Moody’s Ratings (Moody’s) has today assigned Ba1 long-term foreign currency and local currency issuer ratings to Aspial Lifestyle Limited (Aspial), a Singapore-incorporated holding company whose operating subsidiaries are engaged in pawnbroking, secured lending and retail activities, which together form the group.

The outlook is stable.

RATINGS RATIONALE

Aspial’s Ba1 issuer rating reflects its strong credit profile, supported by its established pawnbroking and retail franchise in Singapore. The outlook is stable. The group’s strong risk management practices have underpinned its stable asset quality through prudent collateral valuation and recoveries, which combined with its retail operations have bolstered its strong profitability. The rating also incorporates structural subordination risk of the holding company creditors.

The group’s consolidated leverage metrics are modest, reflecting the debt-funded nature of its pawn lending businesses, although capitalization has strengthened over time. As of June 2026, debt (including lease liabilities)-to-equity improved to 2.1x from 2.9x as of year-end 2024, supported by earnings retention and capital raising initiatives. The group’s leverage is balanced by improving cash generation and debt-servicing capacity, with earnings before interest, taxes, depreciation and amortization (EBITDA) interest coverage strengthening to 6.5x from 3.3x over the same period. We expect the group’s earnings from collateral-backed lending activities and retail sales to support its ability to service debt and fund growth, while mitigating the risks associated with its modest leverage.

The majority of the group's debt is held within its pawnbroking business and consists of bank borrowings. The group also has bank borrowings associated with office properties and shophouses used by its pawnbroking operations, with rental income supporting debt servicing. The retail business carries limited debt, while the secured lending business has no outstanding external borrowings. In addition, Aspial issues unsecured medium-term notes at the holding company level, with proceeds used to support the group's operations and growth.

The group’s pawnbroking business comprises the Maxi-Cash franchise in Singapore, one of the country's leading pawnbroking operators, and Dr. Pajak in Malaysia. Its secured lending business consists primarily of property-backed loans in Australia (Aaa stable) originated through established fund managers, as well as BigFundr, an investment platform that connects retail investors with property investment opportunities.

The group’s retail business includes the sale of pre-owned jewellery and luxury products through the Maxi-Cash brand and established brands in Singapore such as Lee Hwa Jewellery, Goldheart Jewelry and Niessing, which offer gold, diamond and other products. The Maxi-Cash business also sells unredeemed pledges from the pawnbroking operations, although this forms a very small share of its overall sales.

The pawnbroking business supports stable asset quality through its short-tenor, collateralized lending model, with loans secured primarily by gold and underpinned by conservative loan-to-value practices. Recovery prospects are further strengthened by Singapore's regulatory framework, under which unredeemed pledges become the property of the pawnbroker following forfeiture. These features contribute to minimal credit losses.

The group’s on-balance sheet secured lending business exposes it to asset quality and concentration risks. The business primarily comprises investments in Australian property-backed loans originated through external fund managers. Credit risks are managed by conservative underwriting standards, including low loan-to-value ratios, security over underlying properties and contractual protections provided by fund managers. While the portfolio has not experienced any losses to date, the portfolio has grown rapidly and remains largely untested through a full credit cycle. Separately, BigFundr does not pose material credit risk to Aspial because investments are funded by third-party retail investors and Aspial does not guarantee investment performance or absorb investor losses. However, any deterioration in platform performance or investor outcomes could result in reputational risks for the group.

The group’s profitability, measured by return on assets, grew to 5.9% (annualized) in the first half of 2026 underpinned by higher gold prices and robust demand for gold products. We expect profitability to decline modestly over the next 12-18 months as gold prices normalize, which could weigh on retail revenue and temper growth in pawnbroking loans. Nonetheless, profitability will remain strong at around 5% and will be supported by the growing contribution from the group’s higher-yielding on-balance sheet secured lending business and the gradual expansion of its operations in Malaysia.

Its capitalization is a credit strength. The group’s tangible common equity to total managed assets increased to around 25% as of June 2026 following equity issuances totaling approximately SGD84.8 million. We expect capitalization to remain strong, supported by internal capital generation and more moderate asset growth.

These strengths are balanced by the group’s reliance on wholesale funding and modest on-balance sheet liquidity. The group relies mainly on bank borrowings and medium-term notes, which exposes it to refinancing risk. However, these risks are mitigated by the short duration and liquid nature of its loans, as well as its well-established access to banks and debt market investors. Its unencumbered gold inventory, held at its retail segment will also provide an additional source of backstop liquidity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

The rating incorporates the following ESG considerations, as per our General Principles for Assessing Environmental, Social and Governance Risks methodology. Aspial’s environmental issuer profile score (IPS) is E-2, reflecting the company's low environmental risks, as the company mainly provides loans to retail customers against gold jewellery. Its social IPS is S-3 as the company faces moderate risks related to customer relationships and fair treatment from both conduct and pricing perspectives. However, these risks are partly mitigated by a well-established regulatory framework, including consumer protection and anti-money laundering guidelines. Aspial faces low governance risk, reflected in its governance IPS of G-2, supported by the firm's long track record of strong operational and financial performance, as well as relatively strong capitalization. Compliance and reporting are consistent with the industry’s best practices. However, the Koh family’s dominant shareholding in the company and the fact that 50% of the directors on the board are not independent also pose some risks its overall governance.

Aspial’s low environmental, moderate social and low governance risks drive its Credit Impact Score (CIS) of CIS-2, indicating that ESG considerations are not material to the rating.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We could upgrade Aspial’s ratings if the group is able to sustain strong profitability such that its tangible common equity to total managed assets increases to over 30%. The rating upgrade will also be subject to Aspial maintaining prudent risk management in the growth of its businesses, particularly secured lending.

We could downgrade Aspial’s rating if its secured lending segment (excluding the loans via BigFundr platform) grows significantly such that it accounts for more than 15% of the group's consolidated total assets (excluding BigFundr).

We could also downgrade its ratings if its asset quality deteriorates significantly, resulting in lower profitability and capitalization. Specifically, its return on assets declining to below 3.5% and tangible common equity to total managed assets to below 20%. Additionally, weakened access to funding or lower liquidity will also result in a downgrade.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was Finance Companies published in July 2024 and available at https://ratings.moodys.com/rmc-documents/425167. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

Aspial Lifestyle Limited is headquartered in Singapore and reported total consolidated assets of SGD 1.6 billion (SGD 1.3 billion excluding BigFundr) as of 31 December 2025.

REGULATORY DISCLOSURES

For further specification of Moody’s key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody’s Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody’s does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

end