

CIRCULAR DATED 29 SEPTEMBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Aspial Corporation Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying proxy form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Aspial

ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197001030G)

and

ASPIAL TREASURY PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201527868M)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED ALLOTMENT AND ISSUE OF PERPETUAL SECURITIES
AS INTERESTED PERSON TRANSACTIONS UNDER RULE 906 OF THE
LISTING MANUAL PURSUANT TO THE PROPOSED EXCHANGE OFFER**

*Independent Financial Adviser to the Independent Directors
in relation to the above-mentioned transactions*



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	:	13 October 2023 at 10.00 a.m.
Date and time of EGM	:	16 October 2023 at 10.00 a.m.
Place of EGM	:	Aspial One, 55 Ubi Avenue 3, Level 1 Singapore 408864

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CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	5
2. BACKGROUND	5
3. RATIONALE FOR THE PROPOSED EXCHANGE OFFER	9
4. INTERESTED PERSON TRANSACTIONS	9
5. ILLUSTRATIVE FINANCIAL EFFECTS	13
6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	15
7. OPINION AND ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS	16
8. STATEMENT OF THE AUDIT COMMITTEE	18
9. INDEPENDENT DIRECTORS' RECOMMENDATIONS	18
10. CONSENTS	18
11. EXTRAORDINARY GENERAL MEETING	18
12. ACTION TO BE TAKEN BY THE SHAREHOLDERS	18
13. DIRECTORS' RESPONSIBILITY STATEMENT	19
14. DOCUMENTS AVAILABLE FOR INSPECTION	19
APPENDIX A – IFA Letter	A1
APPENDIX B – Proposed Key Terms of the Perpetual Securities	B1
APPENDIX C – Same Interested Person Transactions from 1 January 2023 up to the Latest Practicable Date	C1
NOTICE OF EXTRAORDINARY GENERAL MEETING	D1
PROXY FORM	

DEFINITIONS

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

“Accrued Interest”	:	The amount of accrued and unpaid interest in respect of the Offered Notes which have been accepted for exchange pursuant to the Proposed Exchange Offer, calculated in accordance with the terms and conditions of such Offered Notes.
“Act”	:	The Companies Act 1967 of Singapore
“Aspial Group”	:	The Company, its subsidiaries and associated companies
“Aspial Group NTA”	:	The latest audited consolidated adjusted NTA of S\$415,928,000 of the Aspial Group as at 31 December 2022
“Aspial Shares”	:	Ordinary shares in the capital of the Company
“Aspial Treasury”	:	Aspial Treasury Pte. Ltd., a wholly-owned subsidiary of the Company
“Audit Committee”	:	The audit committee of the Company as at the Latest Practicable Date, comprising Mr Wong Soon Yum, Ms Ng Bie Tjin @ Djuniarti Intan, Mr Ong Tuen Suan and Ms Ko Lee Meng
“Business Day”	:	A day on which banks are open for business in Singapore (excluding Saturdays, Sundays and public holidays)
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This Circular dated 29 September 2023 issued by the Company to the Shareholders, and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update this document from time to time
“Company”	:	Aspial Corporation Limited
“Conditions”	:	The terms and conditions of the Perpetual Securities
“controlling shareholder”	:	Has the meaning ascribed to it in the Listing Manual
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Distribution Commencement Date”	:	The Distribution Commencement Date as set out in Appendix B to the Letter to Shareholders in this Circular
“Distribution Payment Date”	:	The Distribution Payment Date as set out in Appendix B to the Letter to Shareholders in this Circular
“Distribution Rate”	:	The Distribution Rate as described in paragraph 2.4(iii) of the Letter to Shareholders in this Circular and Appendix B to the Letter to Shareholders in this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 16 October 2023 (and any adjournment thereof), notice of which is set out on page D1 of this Circular
“EPS”	:	Earnings per share
“Exchange Consideration”	:	Has the meaning ascribed to it in paragraph 2.5 of the Letter to Shareholders in this Circular
“Existing Notes”	:	The Series 007 Notes, the Series 008 Notes and the Series 009 Notes

“Existing Noteholders”	:	The holders of the Existing Notes
“entity at risk”	:	Has the meaning ascribed to it in the Listing Manual
“First Reset Date”	:	The First Reset Date as set out in Appendix B to the Letter to Shareholders in this Circular
“Group”	:	The Company and its subsidiaries
“IFA”	:	ZICO Capital Pte. Ltd., being the independent financial adviser appointed pursuant to Rule 921(4)(a) of the Listing Manual
“IFA Letter”	:	The letter dated 29 September 2023 from the IFA to the Independent Directors set out in Appendix A to this Circular
“Independent Directors”	:	Directors who are considered independent for the purposes of the Specific IPTs, namely Mr Wong Soon Yum, Ms Ng Bie Tjin @ Djuniarti Intan and Mr Ong Tuen Suan
“Initial Spread”	:	The Initial Spread as described in paragraph 2.4(iii) of the Letter to Shareholders in this Circular and Appendix B to the Letter to Shareholders in this Circular
“Interested Parties”	:	Has the meaning ascribed to it in paragraph 4.1 of the Letter to Shareholders in this Circular
“Interested Person” or “interested person”	:	Has the meaning ascribed to it in the Listing Manual
“Interested Person Transaction”	:	Has the meaning ascribed to it in the Listing Manual
“Issue Date”	:	Has the meaning ascribed to it in Appendix B to the Letter to Shareholders in this Circular
“Junior Obligations”	:	Any of the Company’s ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities
“Latest Practicable Date”	:	The latest practicable date prior to the issuance of this Circular, being 25 September 2023
“Listing Manual”	:	The listing manual of the SGX-ST
“MLHS”	:	MLHS Holdings Pte Ltd
“Notice of EGM”	:	The notice of extraordinary general meeting as set out on page D1 of this Circular
“NTA”	:	Net tangible assets
“Offered Notes”	:	Has the meaning ascribed to it in paragraph 2.5 of the Letter to Shareholders in this Circular
“Parity Obligations”	:	Any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Company (1) which ranks or is expressed to rank, by its terms or by operation of law, <i>pari passu</i> with the Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Company and/or, in the case of an instrument or security guaranteed by the Company, the issuer thereof

“Perpetual Securities”	:	Singapore dollar-denominated fixed rate subordinated perpetual securities proposed to be issued by the Company under the Programme pursuant to the Proposed Exchange Offer
“Perpetual Securityholders”	:	Holders of the Perpetual Securities
“Pre-Launch Date”	:	Has the meaning ascribed to it in paragraph 2.4(iii) of the Letter to Shareholders in this Circular
“Programme”	:	The S\$700,000,000 Multicurrency Debt Issuance Programme of the Company and Aspial Treasury and (in respect of securities issued by Aspial Treasury) unconditionally and irrevocably guaranteed by the Company
“Proposed Exchange Offer”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Proposed Resolution”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
“Register”	:	The register of holders of Aspial Shares, as maintained by the Registrar
“Registrar”	:	B.A.C.S. Private Limited
“Relevant Rate”	:	The Relevant Rate as described in paragraph 2.4(iii) of the Letter to Shareholders in this Circular and Appendix B to the Letter to Shareholders in this Circular
“Relevant Shareholder”	:	Has the meaning ascribed to it in paragraph 2.3 of the Letter to Shareholders in this Circular
“Reset Date”	:	The Reset Date as set out in Appendix B to the Letter to Shareholders in this Circular
“Reset Distribution Rate”	:	The Reset Distribution Rate as described in paragraph 2.4(iii) of the Letter to Shareholders in this Circular and Appendix B to the Letter to Shareholders in this Circular
“Series 007 Notes”	:	The Company’s S\$50,000,000 fixed rate notes (6.50 per cent. from (and including) 20 March 2020 to (but excluding) 20 March 2023 and 6.75 per cent. from (and including) 20 March 2023 to (but excluding) 20 March 2025) due March 2025 (ISIN: SGXF39054444) comprised in Series 007 issued pursuant to the Programme and listed on 23 March 2020
“Series 008 Notes”	:	Aspial Treasury’s S\$75,000,000 6.15 per cent. notes due January 2024 (ISIN: SGXF20337501) comprised in Series 008 issued pursuant to the Programme and guaranteed by the Company and listed on 25 January 2021
“Series 009 Notes”	:	Aspial Treasury’s S\$70,000,000 6.00 per cent. notes due July 2024 (ISIN: SGXF22368025) comprised in Series 009 issued pursuant to the Programme and guaranteed by the Company and listed on 2 July 2021
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of Aspial Shares as indicated on the Register and Depositors who have Aspial Shares entered against their names in the Depository Register

“SORA-OIS”	:	The Singapore Overnight Rate Average Overnight Indexed Swap
“Specific IPTs”	:	Has the meaning ascribed to it in paragraph 4.3 of the Letter to Shareholders in this Circular
“Specific IPTs Value”	:	Has the meaning ascribed to it in paragraph 4.4 of the Letter to Shareholders in this Circular
“Step-Up Date”	:	The Step-Up Date as set out in Appendix B to the Letter to Shareholders in this Circular
“Step-Up Margin”	:	The Step-Up Margin as set out in Appendix B to the Letter to Shareholders in this Circular
“Substantial Shareholder”	:	A person who, in accordance with the Act, has an interest in not less than five per cent. of the issued voting Aspiat Shares
“Winding-up”	:	Bankruptcy, winding-up, liquidation, receivership or similar proceedings
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

Associate, Associated Company and Controlling Shareholder. The terms “**associate**”, “**associated company**” and “**controlling shareholder**” shall have the meanings ascribed to them respectively in the Listing Manual.

Depositor and Depository Register. The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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.

Issued Aspiat Shares. In this Circular, unless otherwise stated, the total number of issued Aspiat Shares in the capital of the Company is 2,222,894,758 Aspiat Shares (excluding treasury shares) as at the Latest Practicable Date. All percentages calculated with reference to the issued Aspiat 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 Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Act, the SFA, the Listing Manual or that modification, as the case may be.

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

Time and Date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise specified.

ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197001030G)

Directors:

Mr Koh Wee Seng (*Chief Executive Officer*)
Ms Koh Lee Hwee (*Executive Director*)
Ms Ko Lee Meng (*Non-Executive and Non-Independent Director*)
Mr Wong Soon Yum (*Lead Independent Director*)
Ms Ng Bie Tjin @ Djuniarti Intan (*Independent Non-Executive Director*)
Mr Ong Tuen Suan (*Independent Non-Executive Director*)

Registered Office:

77 Robinson Road
#06-03
Robinson 77
Singapore 068896

29 September 2023

To: The Shareholders of Aspial Corporation Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 EGM.** On 21 August 2023, the Company (in the case of the Series 007 Notes) and Aspial Treasury (in the case of the Series 008 Notes and the Series 009 Notes) announced its intention to launch an exchange offer exercise to invite Existing Noteholders to exchange any and all of their Existing Notes for a like principal amount of Perpetual Securities (the “**Proposed Exchange Offer**”). As some of the Existing Noteholders constitute interested persons of the Company for the purposes of Rule 904 of the Listing Manual, the Directors are convening the EGM to seek Shareholders’ approval for the proposed allotment and issue of the Perpetual Securities as Interested Person Transactions under Rule 906 of the Listing Manual pursuant to the Proposed Exchange Offer (the “**Proposed Resolution**”).
- 1.2 Circular.** The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval for, the Proposed Resolution to be tabled at the EGM. 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. The SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any information, statements or opinions made, or reports contained in this Circular.
- 1.3 Legal Advisers.** Allen & Gledhill LLP is the legal adviser to the Company in relation to this Circular and the requirement for Shareholder approval for the Specific IPTs and Shook Lin & Bok LLP is the legal adviser to the Company in relation to the Proposed Exchange Offer and the Perpetual Securities.

2. BACKGROUND

- 2.1 The Proposed Exchange Offer.** As set out in paragraph 1.1, the Company (in the case of the Series 007 Notes) and Aspial Treasury (in the case of the Series 008 Notes and the Series 009 Notes) are intending to launch the Proposed Exchange Offer pursuant to which the Existing Noteholders (including any Existing Noteholders who are Shareholders) may elect to:
- (i) exchange any and all of their Existing Notes for a like principal amount of the Perpetual Securities, subject to the terms and conditions to be set out in the exchange offer memorandum to be issued to the Existing Noteholders; or
 - (ii) retain any or all of their Existing Notes, in which case any Existing Notes retained will continue to be subject to the current terms and conditions of the Existing Notes.
- 2.2 Interested Persons holding Existing Notes.** As at the Latest Practicable Date, some of the Existing Notes are held by the Interested Parties and the Interested Parties are intending to offer to exchange some or all of their Existing Notes for Perpetual Securities pursuant to the Proposed Exchange Offer. The Company will therefore be seeking Shareholders’ approval at the EGM for the proposed participation of the Interested Parties in the Proposed Exchange Offer.

- 2.3 Conditional on Shareholder Approval.** As the Interested Parties hold more than 80 per cent. of the aggregate principal amount of the Existing Notes, the utility and expected benefits to the Company to be brought about by the exchange of the Existing Notes for Perpetual Securities pursuant to the Proposed Exchange Offer would only be achieved if the Interested Parties are permitted to participate in the Proposed Exchange Offer. As such, the consummation of the Proposed Exchange Offer (if and when made) and the issuance of the Perpetual Securities will be subject to and conditional on the approval of the Proposed Resolution, and the Proposed Exchange Offer will not be made in the event that the Proposed Resolution is not approved.

For the avoidance of doubt, Shareholders who are also Existing Noteholders (a “**Relevant Shareholder**”) should note that their vote on the Proposed Resolution is independent of and separate from their election under the Proposed Exchange Offer. To illustrate:

- (i) a Relevant Shareholder may choose to vote **in favour** of the Proposed Resolution. If the Proposed Resolution is passed and the Proposed Exchange Offer proceeds, such Relevant Shareholder may elect to retain any or all of their Existing Notes or choose to exchange any or all of their Existing Notes for a like principal amount of the Perpetual Securities, subject to the terms and conditions to be set out in the exchange offer memorandum to be issued to the Existing Noteholders;
- (ii) a Relevant Shareholder may choose to vote **against** the Proposed Resolution. If the Proposed Resolution is nevertheless passed and the Proposed Exchange Offer proceeds, such Relevant Shareholder may elect to retain any or all of their Existing Notes or choose to exchange any or all of their Existing Notes for a like principal amount of the Perpetual Securities, subject to the terms and conditions to be set out in the exchange offer memorandum to be issued to the Existing Noteholders; and
- (iii) if the Proposed Resolution is not passed, then the Proposed Exchange Offer will NOT proceed. A Relevant Shareholder would NOT be able to make **any** election in relation to the Proposed Exchange Offer and will continue to retain all of their Existing Notes and such Existing Notes will continue to be subject to the terms and conditions of the Existing Notes.

- 2.4 Key Terms of the Perpetual Securities.** The proposed key terms of the Perpetual Securities are set out in Appendix B to the Letter to Shareholders in this Circular and as follows:

- (i) **Maturity Date.** The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date. The Company may, in accordance with the Conditions of the Perpetual Securities, redeem in whole, but not in part, the Perpetual Securities on the First Reset Date or any Distribution Payment Date thereafter.
- (ii) **Deferment of Distribution.** The Company may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date, subject to Condition 4(IV) of the Perpetual Securities. As at the Latest Practicable Date, save for the Aspiat Shares, the Company does not have any Junior Obligations or Parity Obligations. Shareholders should refer to Appendix B to the Letter to Shareholders in this Circular for further information on Condition 4(IV) of the Perpetual Securities.
- (iii) **Distribution Rates.**
 - (a) The Distribution Rate of the Perpetual Securities shall be:
 - (A) in respect of the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date, 6.50 per cent. per annum;
 - (B) in respect of the period from (and including) the Step-Up Date to (but excluding) the First Reset Date, 6.70 per cent. per annum; and
 - (C) in respect of the period from (and including) the First Reset Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate.

- (b) The Reset Distribution Rate of the Perpetual Securities shall be the sum of:
- (A) the Relevant Rate (i.e. the 5-year SORA-OIS on the relevant Reset Date);
 - (B) the Initial Spread; and
 - (C) the Step-Up Margin (i.e. 0.20 per cent. per annum).

The Initial Spread will be determined by the Company on or around three Business Days prior to the date of the launch of the Proposed Exchange Offer (the “**Pre-Launch Date**”), and shall be the Distribution Rate on the issue date of the Perpetual Securities (being 6.50 per cent.) less the 5-year SORA-OIS on the Pre-Launch Date. As an illustrative example, assuming that (i) the 5-year SORA-OIS on the Pre-Launch Date is 3.49 per cent. and (ii) the Relevant Rate on the First Reset Date is 3.00 per cent., the Initial Spread and Reset Distribution Date will be calculated as follows:

		Rate
Initial Spread:	(1) 6.50 per cent.	3.01 per cent.
	<i>less</i>	
	(2) 5-year SORA-OIS on the Pre-Launch Date (3.49 per cent.)	
Reset Distribution Rate:	(1) Relevant Rate on the First Reset Date (3.00 per cent.)	6.21 per cent.
	<i>plus</i>	
	(2) Initial Spread (3.01 per cent.)	
	<i>plus</i>	
	(3) Step-Up Margin (0.20 per cent.)	

The Distribution Rate and the Reset Distribution Rate have been determined by the Company after taking into account various factors including the prevailing interest rate environment, the interest rates of the Existing Notes, the distribution rates of recently issued Singapore dollar-denominated perpetual securities, and the Company’s financial performance and existing capital structure. Shareholders should, however, note that none of the issuers of recently issued Singapore dollar-denominated perpetual securities are directly comparable to the Company (particularly with regard to the market capitalisation and net debt to equity ratios of such other issuers).

- (iv) **Non-convertible.** The Perpetual Securities are not convertible into any other securities.
- (v) **Listing of the Perpetual Securities.** If the Proposed Exchange Offer is made, the Company will make an application to the SGX-ST for the listing and quotation of the Perpetual Securities on the SGX-ST. The Perpetual Securities will only be offered to persons specified under sections 274 and 275 of the SFA (in relation to persons in Singapore), and persons defined under such equivalent terms in the relevant jurisdictions where the Perpetual Securities are subscribed.
- (vi) **Transfer of Perpetual Securities and Voting Rights.** Save for the restrictions applicable to the offer of the Perpetual Securities, there are no restrictions on the transfer of the Perpetual Securities. The Perpetual Securities also do not confer on holders of the Perpetual Securities any voting rights at general meetings of the Company.
- (vii) **No Events of Default and Winding-up.** There are no events of default applicable to the Perpetual Securities. The right to institute proceedings for Winding-up of the Company is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Company has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.

If (a) a final and effective order is made or an effective resolution is passed for the Winding-up of the Company or (b) if the Company does not make payment of principal or distribution in respect of the Perpetual Securities for a period of three business days or more after the date on which such payment is due, the Company shall be deemed to be in default under the Trust Deed¹ and the Perpetual Securities. The Trustee¹ may, in such circumstances and subject to the Conditions of the Perpetual Securities, institute proceedings for the Winding-up of the Company and/or prove in the Winding-up of the Company and/or claim in the liquidation of the Company for such payment.

- 2.5 Exchange Consideration.** The exchange consideration for the Existing Notes under the terms of the Proposed Exchange Offer is the sum of (i) a principal amount of Perpetual Securities equal to 100 per cent. of the principal amount (i.e., the par value) of Existing Notes which have been offered for exchange for Perpetual Securities (the “**Offered Notes**”) and which have been accepted for exchange pursuant to the Proposed Exchange Offer, and (ii) an amount in cash equal to the Accrued Interest (the “**Exchange Consideration**”).

The terms and conditions of the Perpetual Securities and the Exchange Consideration were arrived at after taking into account the prevailing interest rate environment and the customary terms applicable to perpetual securities as well as the Company’s financial performance and its existing capital structure. In addition, as the principal amount of Perpetual Securities to be issued pursuant to the Proposed Exchange Offer is equal to 100 per cent. of the principal amount of the Offered Notes, the ability of the Company and Aspiat Treasury to issue further debt securities pursuant to the Programme will remain unchanged following the completion of the Proposed Exchange Offer.

- 2.6 Comparison of the Distribution Rates of the Perpetual Securities against the Interest Rates on the Group’s current borrowings and the Existing Notes.** The table below sets out a comparison of the range of interest rates charged on (i) the Group’s borrowings (as at 31 December 2022), (ii) the Existing Notes and (iii) the Distribution Rate of the Perpetual Securities.

Group’s Borrowings (excluding Existing Notes)	Applicable Interest rate(s) / Distribution Rate
Bank borrowings and revolving loans of S\$318,914,000 ⁽¹⁾	1.80% to 5.92%
Revolving loans of S\$8,100,000 ⁽²⁾	1.51% to 5.88%
Term loans and short-term bank borrowings of S\$115,947,000 ⁽³⁾	0.96% to 6.50%
Term loans of S\$4,660,000 ⁽⁴⁾	1.00% to 2.45%
Term loans of S\$17,306,000 ⁽⁵⁾	2.00% to 2.50%
Interest bearing loans and borrowings of S\$252,619,000 ⁽⁶⁾	1.63% to 6.60%
Existing Notes	
Series 007 Notes	6.75% ²
Series 008 Notes	6.15%
Series 009 Notes	6.00%

¹ As defined/referred to under the Programme.

² The interest rate on the Series 007 Notes was 6.50 per cent. up to the original maturity date of the Series 007 Notes of 20 March 2023. By way of a resolution in writing signed by or on behalf of the holders of the Series 007 Notes representing not less than 90 per cent. in principal amount of the Series 007 Notes outstanding on 30 November 2022, the maturity date of the Series 007 Notes was extended to 20 March 2025, and the interest rate on the Series 007 Notes was revised to 6.75 per cent. from (and including) 20 March 2023 to (but excluding) 20 March 2025.

Perpetual Securities	<p>(i) 6.50% (from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date)</p> <p>(ii) 6.70% (from (and including) the Step-Up Date to (but excluding) the First Reset Date)</p>
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Notes:

- (1) Secured by way of a fixed and floating charges on all assets of certain subsidiaries of the Company or corporate guarantees by the Company and/or its subsidiaries.
- (2) Secured by way of charges on the shares held by the Company in certain subsidiaries and associates of the Company.
- (3) Secured by way of legal mortgages over the freehold and leasehold properties of the subsidiaries of the Company.
- (4) Secured by way of charges on the trade receivables and inventories of the Company's subsidiary.
- (5) Secured by way of corporate guarantees by the Company and/or its subsidiaries.
- (6) Secured by way of *inter alia*: (i) legal mortgages over the Company's subsidiaries' property, plant and equipment, development properties, properties held for sale and investment properties, (ii) legal assignments of the Company's subsidiaries' interests under certain agreements in respect of properties, (iii) fixed and floating charges on all assets of certain subsidiaries of the Company, (iv) personal and corporate guarantees, (v) guarantees by non-controlling interests of a subsidiary of the Company, (vi) a joint corporate guarantee by the joint operation partners.

3. RATIONALE FOR THE PROPOSED EXCHANGE OFFER

- 3.1 Refinancing Existing Notes.** The Series 007 Notes are due March 2025, the Series 008 Notes are due January 2024 and the Series 009 Notes are due July 2024. Given the upcoming maturity of the Existing Notes over the next two years, the Proposed Exchange Offer would serve to refinance the Existing Notes through the issuance of Perpetual Securities, which are redeemable only at the option of the Company.
- 3.2 Minimising Costs Associated with the Refinancing.** The Company believes that the Proposed Exchange Offer will minimise the need for separate refinancing exercises in respect of the Existing Notes that are exchanged for Perpetual Securities, due in part to the fact that the Perpetual Securities do not have a fixed redemption date and are redeemable only at the option of the Company. This is likely to reduce legal costs and professional fees which are incurred with each refinancing exercise.
- 3.3 Improving Leverage Ratio.** The rationale for the Proposed Exchange Offer is also to improve the overall leverage ratio of the Company, as the Perpetual Securities will be classified as an equity-like instrument for the purposes of the financial statements of the Company. Please refer to paragraph 5 of the Letter to Shareholders in this Circular for information on the illustrative financial effects of the Proposed Exchange Offer.

4. INTERESTED PERSON TRANSACTIONS

- 4.1 Existing Noteholders who are Interested Persons.** The following Existing Noteholders are interested persons (collectively, the "Interested Parties") pursuant to Rule 904(4) of the Listing Manual:

- (i) Mr Koh Wee Seng is a Director, the Chief Executive Officer and controlling shareholder of the Company, holding a direct and deemed interest in 1,628,250,009 Aspial Shares, representing approximately 73.25 per cent. of the total issued Aspial Shares.
- (ii) Ms Koh Lee Hwee is a Director and controlling shareholder of the Company, holding a direct and deemed interest in 1,278,598,202 Aspial Shares, representing approximately 57.52 per cent. of the total issued Aspial Shares.
- (iii) Ms Ko Lee Meng is a Director and controlling shareholder of the Company, holding a direct and deemed interest in 1,238,681,622 Aspial Shares, representing approximately 55.72 per cent. of the total issued Aspial Shares.
- (iv) Mr Ng Sheng Tiong is an Executive Director and Chief Executive Officer of World Class Global Pte. Ltd., a subsidiary of the Company. He is the husband of Ms Koh Lee Hwee.
- (v) Mdm Tan Su Lan is the mother of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee.
- (vi) Mr Koh Wee Meng is the brother of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee.
- (vii) AF Global Investment Holding Pte. Ltd. is a company in which Mr Koh Wee Seng and Mr Koh Wee Meng have an interest of 30 per cent. or more.
- (viii) DN Global Pte. Ltd. is a company in which Ms Koh Lee Hwee has an interest of 30 per cent. or more.
- (ix) MLHS is the holding company of the Company.
- (x) Ms Lim Kwee Hua is the spouse of Mr Koh Wee Seng.
- (xi) Mr Koh Yong Hui, Kelvin is the child of Ms Ko Lee Meng.
- (xii) Mr Xavier Koh Hong Wei is the child of Mr Koh Wee Seng.
- (xiii) Mr Alvis Ng is the child of Ms Koh Lee Hwee.
- (xiv) Ms Ng Irene is the child of Ms Koh Lee Hwee.

For completeness, the interests of each of Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng as recorded in the register of Directors' shareholdings of the Company as at the Latest Practicable Date are set out below:

Name of Interested Party	Direct Interest		Deemed Interest	
	Number of Aspial Shares	% ⁽¹⁾	Number of Aspial Shares	% ⁽¹⁾
Mr Koh Wee Seng	418,655,472	18.83	1,209,594,537 ⁽²⁾	54.42
Ms Koh Lee Hwee	30,890,888	1.39	1,247,707,314 ⁽³⁾	56.13
Ms Ko Lee Meng	33,639,865	1.51	1,205,041,757 ⁽⁴⁾	54.21

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 2,222,894,758 Aspial Shares in issue (excluding Aspial Shares held as treasury shares) as at the Latest Practicable Date.
- (2) Mr Koh Wee Seng is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 5,707,667 Aspial Shares held by his spouse.
- (3) Ms Koh Lee Hwee is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 43,820,444 Aspial Shares held by her spouse.
- (4) Ms Ko Lee Meng is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 1,154,887 Aspial Shares held by her spouse.

4.2 Existing Notes Held by Interested Parties. The aggregate principal amount of Existing Notes held by each Interested Party as at the Latest Practicable Date is as follows:

Name of Interested Party	Aggregate principal amount of Existing Notes held (S\$)			
	Series 007	Series 008	Series 009	Total
Koh Wee Seng	14,750,000	25,250,000	–	40,000,000
Ko Lee Meng	2,500,000	3,000,000	–	5,500,000
Koh Lee Hwee	1,000,000	3,000,000	–	4,000,000
Koh Wee Meng	–	5,000,000	59,000,000	64,000,000
AF Global Investment Holding Pte Ltd	8,000,000	3,000,000	–	11,000,000
Tan Su Lan	6,000,000	1,250,000	–	7,250,000
Ng Sheng Tiong	–	4,750,000	4,000,000	8,750,000
Lim Kwee Hua	7,750,000	750,000	–	8,500,000
DN Global Pte. Ltd.	2,750,000	–	–	2,750,000
MLHS	–	3,500,000	–	3,500,000
Koh Yong Hui, Kelvin	500,000	750,000	–	1,250,000
Xavier Koh Hong Wei	–	500,000	–	500,000
Alvis Ng	–	250,000	–	250,000
Ng Irene	–	250,000	–	250,000
Total	43,250,000	51,250,000	63,000,000	157,500,000
Outstanding Principal Amount of Existing Notes	50,000,000⁽¹⁾	75,000,000	70,000,000⁽²⁾	195,000,000
Percentage of Existing Notes Held by Interested Parties	86.5%	68.3%	90.0%	80.8%

Notes:

- (1) S\$250,000 in aggregate principal amount of the Series 007 Notes have been repurchased by the Company and is currently held by the Company.
- (2) S\$1,000,000 in aggregate principal amount of the Series 009 Notes have been repurchased by Aspial Treasury and is currently held by Aspial Treasury.

4.3 Interested Person Transactions. The participation by the Interested Parties in the Proposed Exchange Offer would be Interested Person Transactions (the “**Specific IPTs**”) and therefore subject to Chapter 9 of the Listing Manual.

4.4 Specific IPTs Value. The value of the Specific IPTs comprises the sum of (a) the Exchange Consideration payable to each Interested Party; and (b) the distribution to be paid on the Perpetual Securities issued in exchange for the Existing Notes held by the Interested Party pursuant to the terms and conditions of the Proposed Exchange Offer. Assuming that the entire aggregate principal amount of the Existing Notes held by each Interested Party will be offered for exchange into Perpetual Securities pursuant to the Proposed Exchange Offer and held by such Interested Party until the First Reset Date, and the Company does not elect to defer the payment of any distribution payable for the period until the First Reset Date, the aggregate distribution payable to the Interested Parties on the Perpetual Securities up to the First Reset Date is S\$51,817,500 (assuming that distributions are paid based on the Distribution Rate for the relevant period from the Issue Date until the First Reset Date on the principal amount of the Perpetual Securities which have been issued as part of the Exchange Consideration), as particularised in the table below:

Name of Interested Party	Aggregate principal amount of Existing Notes held (S\$)	Distribution payable on Perpetual Securities up to First Reset Date (S\$)		
		Distribution Commencement Date to Step-Up Date (Distribution Rate: 6.50%)	Step-Up Date to First Reset Date (Distribution Rate: 6.70%)	Total
Koh Wee Seng	40,000,000	7,800,000	5,360,000	13,160,000
Ko Lee Meng	5,500,000	1,072,500	737,000	1,809,500
Koh Lee Hwee	4,000,000	780,000	536,000	1,316,000
Koh Wee Meng	64,000,000	12,480,000	8,576,000	21,056,000
AF Global Investment Holding Pte Ltd	11,000,000	2,145,000	1,474,000	3,619,000
Tan Su Lan	7,250,000	1,413,750	971,500	2,385,250
Ng Sheng Tiong	8,750,000	1,706,250	1,172,500	2,878,750
Lim Kwee Hua	8,500,000	1,657,500	1,139,000	2,796,500
DN Global Pte. Ltd.	2,750,000	536,250	368,500	904,750
MLHS	3,500,000	682,500	469,000	1,151,500
Koh Yong Hui, Kelvin	1,250,000	243,750	167,500	411,250
Xavier Koh Hong Wei	500,000	97,500	67,000	164,500
Alvis Ng	250,000	48,750	33,500	82,250
Ng Irene	250,000	48,750	33,500	82,250
Total	157,500,000	30,712,500	21,105,000	51,817,500

As the Perpetual Securities do not have a fixed redemption date and are only redeemable at the option of the Company on or after the First Reset Date, Shareholders should note that the Interested Parties may continue to hold and receive distributions on the Perpetual Securities beyond the First Reset Date. The value at risk to the Company in respect of the Specific IPTs may therefore exceed the illustrated amount if the Company does not elect to redeem the Perpetual Securities on the First Reset Date.

The Interested Parties under the Specific IPTs are treated as the “same interested person” under Rule 908(1) of the Listing Manual and the aggregate value at risk to the Company is S\$211,782,000 (the “**Specific IPTs Value**”), which represents approximately 50.92 per cent. of the Aspiat Group NTA. For the purposes of calculating the Specific IPTs Value, the Company has assumed the full exchange of the Existing Notes held by each Interested Party into the Perpetual Securities and that such Perpetual Securities are held until the First Reset Date. The Specific IPTs Value so calculated comprises:

- (i) the Exchange Consideration for the Existing Notes³ tendered by the Interested Parties; and
- (ii) the distribution payable, assuming that distributions are paid based on the Distribution Rate for the relevant period from the Issue Date until the First Reset Date on the principal amount of the Perpetual Securities which have been issued to the Interested Parties as part of the Exchange Consideration,

as follows:

Component	Value (S\$) ⁽¹⁾
Aggregate principal amount of the Existing Notes held by the Interested Parties	157,500,000
Accrued Interest on the Existing Notes held by the Interested Parties ³	2,464,000
Distribution payable up to the First Reset Date	51,818,000

Notes:

- (1) Figures have been rounded to the nearest S\$1,000.

³ The Accrued Interest has been determined on the assumption that the exchange of the Existing Notes for the Perpetual Securities pursuant to the Proposed Exchange Offer is completed on 31 October 2023.

The Specific IPTs Value has been determined on the basis that the Exchange Consideration in sub-paragraph (i) above is the maximum value of the Exchange Consideration (assuming that the exchange of the Existing Notes for the Perpetual Securities pursuant to the Proposed Exchange Offer is completed on 31 October 2023), and that the distribution payable in sub-paragraph (ii) above is the maximum distribution payable on the Perpetual Securities for the period from the Issue Date until the First Reset Date (as the Perpetual Securities are redeemable at the option of the Company only on or after the First Reset Date).

Shareholders should note that the Proposed Exchange Offer may NOT be completed by 31 October 2023 and the Perpetual Securities do not have a fixed redemption date and are only redeemable at the option of the Company on or after the First Reset Date. Accordingly, Shareholders should note that the value at risk to the Company in respect of the Specific IPTs may exceed the abovementioned amount if the exchange of the Existing Notes for the Perpetual Securities pursuant to the Proposed Exchange Offer is completed after 31 October 2023 and/or if the Company does not elect to redeem the Perpetual Securities on the First Reset Date.

- 4.5 Aggregate Value of Interested Person Transactions.** The aggregate value of all interested person transactions entered into by the Aspial Group (including transactions entered into with the Interested Parties and their respective associates) for the current financial year commencing on 1 January 2023 up to the Latest Practicable Date (excluding transactions which are less than S\$100,000 and the Specific IPTs) is S\$5,517,000 (see Appendix C to the Letter to Shareholders in this Circular for details of these other interested person transactions).
- 4.6 Shareholders' Approval pursuant to Chapter 9 of the Listing Manual.** The Specific IPTs Value represents approximately 50.92 per cent of the Aspial Group NTA. As the Specific IPTs Value represents more than five (5) per cent. of the Aspial Group NTA, the Specific IPTs are subject to the approval of the independent Shareholders at the EGM pursuant to Rule 906(1)(a) of the Listing Manual. For the avoidance of doubt, the Proposed Resolution is seeking approval only for the Specific IPTs and no other interested person transaction.
- 4.7 Abstention from Voting and Deliberations.** In accordance with Rule 919 of the Listing Manual, the Interested Parties undertake to abstain and to ensure that their respective associates will abstain from voting on the Proposed Resolution. Further, the Interested Parties undertake to decline, and shall ensure that their respective associates decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Resolution 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. In addition, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng, being the Interested Parties who are Directors, have abstained and will, for so long as they hold Perpetual Securities, undertake to abstain from all deliberations by the Board in respect of the Perpetual Securities, including any decision by the Board to make or defer any distribution payment on the Perpetual Securities.

5. ILLUSTRATIVE FINANCIAL EFFECTS

- 5.1 For illustrative purposes only,** the financial effects of the Proposed Exchange Offer on the (a) NTA per Aspial Share, (b) EPS of the Company and (c) net debt to total equity, are based on the audited financial statements of the Company for the period of 1 January 2022 to 31 December 2022, being the most recently completed financial year for which audited financial statements of the Company are available as at the Latest Practicable Date.

The said illustrative financial effects have also been prepared on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

- 5.5 NTA per Aspial Share (Full Year 2022).** The pro forma financial effects of the consolidated NTA per Aspial Share as at 31 December 2022, assuming the Proposed Exchange Offer had been completed on 31 December 2022, are as follows:

	Before Proposed Exchange Offer	After Proposed Exchange Offer ⁽³⁾
NTA (S\$'000) ⁽¹⁾	415,928	609,559
Number of issued Aspial Shares (excluding treasury shares) ('000) ⁽²⁾	2,163,438	2,163,438
NTA per Aspial Share (in cents)	19.23	28.18

Notes:

- (1) NTA is calculated as Total Equity + Deferred Tax Liabilities – Deferred Tax Assets – Intangible Assets.
- (2) Based on the number of issued Aspial Shares as at 31 December 2022.
- (3) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

- 5.3 EPS (Full Year 2022).** The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2022 assuming the Proposed Exchange Offer had been completed on 1 January 2022, are as follows:

	Before Proposed Exchange Offer	After Proposed Exchange Offer ⁽¹⁾
EPS (in cents) (Before distribution to holders of the Perpetual Securities)	(0.68)	(0.14)
EPS (in cents) (After distribution to holders of the Perpetual Securities)	(0.68)	(0.72)

Notes:

- (1) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

- 5.4 Debt to Equity (Full Year 2022).** The pro forma financial effects on the Company's net debt to total equity as at 31 December 2022 assuming the Proposed Exchange Offer had been completed on 1 January 2022, are as follows:

	Before Proposed Exchange Offer	After Proposed Exchange Offer ⁽¹⁾
Net Debt to Total Equity	2.31	1.20

Notes:

- (1) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

- 5.5** The financial effects illustrated above arise primarily due to the following:

- (i) the Perpetual Securities do not have a maturity date and the Company is able to elect to defer making a distribution, subject to the terms and conditions of the Perpetual Securities issued. The Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of the Perpetual Securities issued and as such the Perpetual Securities do not meet the definition to be classified as a financial liability⁴. Accordingly, the Perpetual Securities are presented within equity on the Company's statement of financial position; and

⁴ According to the Singapore Financial Reporting Standards (International) 1-32 *Financial Instruments*.

- (ii) the distributions payable on the Perpetual Securities are treated as dividends which will be directly debited from equity.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests of Directors and Substantial Shareholders of the Company. The interests of the Directors and Substantial Shareholders of the Company are set out in paragraphs 6.2 and 6.3 of the Letter to Shareholders in this Circular respectively. As at the Latest Practicable Date, save as disclosed in paragraph 4 of the Letter to Shareholders in this Circular, none of the Directors or the Substantial Shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Resolution.

6.2 Interests of Directors. The interests of the Directors in the Company as recorded in the register of Directors' shareholdings of the Company as at the Latest Practicable Date are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	Number of Aspiat Shares	% ⁽¹⁾	Number of Aspiat Shares	% ⁽¹⁾
Mr Koh Wee Seng	418,655,472	18.83	1,209,594,537 ⁽²⁾	54.42
Ms Koh Lee Hwee	30,890,888	1.39	1,247,707,314 ⁽³⁾	56.13
Ms Ko Lee Meng	33,639,865	1.51	1,205,041,757 ⁽⁴⁾	54.21
Mr Wong Soon Yum	–	–	–	–
Ms Ng Bie Tjin @ Djuniarti Intan	1,105,200	0.05	–	–
Mr Ong Tuen Suan	–	–	–	–

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 2,222,894,758 Aspiat Shares in issue (excluding Aspiat Shares held as treasury shares) as at the Latest Practicable Date.
- (2) Mr Koh Wee Seng is deemed to have an interest in 1,203,886,870 Aspiat Shares held by MLHS and 5,707,667 Aspiat Shares held by his spouse.
- (3) Ms Koh Lee Hwee is deemed to have an interest in 1,203,886,870 Aspiat Shares held by MLHS and 43,820,444 Aspiat Shares held by her spouse.
- (4) Ms Ko Lee Meng is deemed to have an interest in 1,203,886,870 Aspiat Shares held by MLHS and 1,154,887 Aspiat Shares held by her spouse.

6.3 Interests of Substantial Shareholders of the Company. The interests of the Substantial Shareholders of the Company in the Company as recorded in the register of Substantial Shareholders of the Company as at the Latest Practicable Date are set out below:

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Aspiat Shares	% ⁽¹⁾	Number of Aspiat Shares	% ⁽¹⁾
MLHS ⁽²⁾	1,203,886,870	54.16	–	–
Mr Koh Wee Seng	418,655,472 ⁽³⁾	18.83	1,209,594,537 ⁽³⁾	54.42
Ms Koh Lee Hwee	30,890,888 ⁽⁴⁾	1.39	1,247,707,314 ⁽⁴⁾	56.13
Ms Ko Lee Meng	33,639,865 ⁽⁵⁾	1.51	1,205,041,757 ⁽⁵⁾	54.21

Notes:

- (1) The figures are based on the issued share capital of 2,222,894,758 Aspial Shares in issue (excluding treasury shares) as at the Latest Practicable Date.
- (2) MLHS is the immediate and ultimate holding company of the Company. (i) Mr Koh Wee Seng holds approximately 47.00 per cent. of the issued and paid-up ordinary shares of MLHS, (ii) Ms Koh Lee Hwee holds approximately 24.25 per cent. of the issued and paid-up ordinary shares of MLHS, and (iii) Ms Ko Lee Meng holds approximately 25.75 per cent. of the issued and paid-up ordinary shares of MLHS.
- (3) Mr Koh Wee Seng is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 5,707,667 Aspial Shares held by his spouse.
- (4) Ms Koh Lee Hwee is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 43,820,444 Aspial Shares held by her spouse.
- (5) Ms Ko Lee Meng is deemed to have an interest in 1,203,886,870 Aspial Shares held by MLHS and 1,154,887 Aspial Shares held by her spouse.

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

7.1 IFA. ZICO Capital Pte. Ltd. has been appointed as the independent financial adviser pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors on whether the terms of the proposed Specific IPTs are on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA Letter is set out as Appendix A to this Circular and Shareholders are advised to read the IFA Letter carefully.

7.2 IFA's Opinion and Advice. The following is an extract from paragraph 5 of the IFA Letter and Shareholders should read such extract in conjunction with, and in full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter unless otherwise stated:

"5. OUR OPINION

In arriving at our opinion, we have taken into account the following factors which we consider to be relevant and to have a significant bearing on our assessment of the Specific IPTs:

- (a) *the rationale for the Proposed Exchange Offer, specifically the fact that the Proposed Exchange Offer will allow the Company to refinance the Existing Notes through the issuance of Perpetual Securities which will be classified as equity. This will improve the Company's overall leverage, and put the Company in a much stronger financial position to tap the capital markets to fund future growth opportunities;*
- (b) *the initial distribution rate of the Perpetual Securities of 6.50% is above the initial distribution rates of the Recent Perpetual Securities. Nevertheless, we wish to highlight that none of the issuers of the Recent Perpetual Securities are exactly comparable to the Company as further elaborated in **Section 4.3.1** of this IFA Letter, and some of the Recent Perpetual Securities were issued more than 1.5 years ago under relatively different interest rate conditions.*

In particular, we note that the higher initial distribution rate of the Perpetual Securities of 6.50% vis-à-vis the Recent Perpetual Securities is reflective of (i) the Company's significantly smaller market capitalisation compared with the issuers of the Recent Perpetual Securities; (ii) the Company's significantly higher net debt to equity ratio compared with the issuers of the Recent Perpetual Securities; (iii) the Programme not subject to any external and independent credit rating, unlike many of the Recent Perpetual Securities; and (iv) the increasing trend of domestic interest rates in Singapore – the SORA had increased steadily from a range of 0.0353% to 4.3916% in 2022 to a range of 2.1567% to 4.0825% during the period from 1 January 2023 to the Latest Practicable Date;

- (c) *the Step-Up Margin of the Perpetual Securities of 0.20% per annum is lower than the step-up margins of the Recent Perpetual Securities of 0.25% to 1.00%;*
- (d) *the reset frequency for the Perpetual Securities of 5.00 years after the issue date is within the range of, and equivalent to the average and median reset frequencies of 5.00 years for the Recent Perpetual Securities respectively;*
- (e) *the period between the Issue Date and the First Reset Date of 5.00 years for the Perpetual Securities is within the range of, and equivalent to the median relevant comparable periods of 5.13 years for the Recent Perpetual Securities;*
- (f) *the illustrative yield to call and yield to maturity of the Perpetual Securities of 6.499% and 6.500% respectively, computed based on the assumption that (i) the Perpetual Securities will trade at par value; and (ii) the Perpetual Securities will mature 149 years from the issue date, are within the range of, and above the average and median relevant statistics of the Recent Perpetual Securities respectively;*
- (g) *the illustrative Initial Spread of the Perpetual Securities of 3.010%, computed based on the initial distribution rate of the Perpetual Securities of 6.50% and the prevailing 5-year SORA-OIS as at the Latest Practicable Date of approximately 3.49%, is within the range of, and above the average and median initial spreads of the Recent Perpetual Securities;*
- (h) *the initial distribution rate of the Perpetual Securities of 6.50% is within the interest rate range of the Existing Notes of 6.00% to 6.75% per annum, notwithstanding the current higher interest rate environment compared with 2020 and 2021 when the Existing Notes were issued;*
- (i) *the computation of Relevant Rate for the Perpetual Securities is on similar basis as that for the Recent Perpetual Securities;*
- (j) *the computation of Reset Distribution Rate for the Perpetual Securities is generally in line with that for the Recent Perpetual Securities;*
- (k) *the Initial Spread of the Perpetual Securities will be determined on the Pre-Launch Date, and computed based on the initial distribution rate and the 5-year SORA-OIS (5 years being the reset frequency of the Perpetual Securities). The formula for computing the initial spread is not specifically disclosed in the published offering circulars and pricing supplements of the Recent Perpetual Securities, and the actual figures of the initial spreads of the Recent Perpetual Securities are set out directly. As such, we are unable to definitively include the formulas for the computation of the initial spreads of the Recent Perpetual Securities herein. However, based on our review of the initial spreads vis-à-vis prevailing SORA rates at the respective offering dates of the Recent Perpetual Securities, we believe the computation of the Initial Spread of the Perpetual Securities is generally in line with the basis of computation for the Recent Perpetual Securities;*
- (l) *the expected improvement in the NTA per Aspiat Share and the Company's net debt to total equity ratio following the Proposed Exchange Offer;*
- (m) *the Management's view that the Proposed Exchange Offer is the most efficient refinancing option available to the Group;*
- (n) *the flexibility in payment of the distribution on each Distribution Payment Date, subject to the Distribution Discretion Condition; and*
- (o) *the Proposed Exchange Offer is also extended to all Existing Noteholders who are non-Interested Parties, on the same terms.*

We have carefully considered as many factors as we deem essential and balanced them 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 carefully considered the information available to us as at the Latest Practicable Date, we are of the opinion that the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.”

Shareholders should also note that, as stated in paragraph 2.4(iii) of the Letter to Shareholders in this Circular, the Initial Spread will only be determined by the Company on the Pre-Launch Date, and that the IFA had accordingly used an illustrative Initial Spread of 3.010 per cent. (based on the 5-year SORA-OIS as at the Latest Practicable Date) in its analysis of the proposed terms of the Perpetual Securities. The illustrative Initial Spread used by the IFA may therefore differ from the Initial Spread to be determined on the Pre-Launch Date. The Company will update Shareholders should there be any material deviation in the Initial Spread (from the illustrative Initial Spread used by the IFA) if and when the Proposed Exchange Offer is launched.

8. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee comprises Mr Wong Soon Yum, Ms Ng Bie Tjin @ Djuniarti Intan, Mr Ong Tuen Suan and Ms Ko Lee Meng. As Ms Ko Lee Meng is a director and controlling shareholder of the Company, and accordingly considered to be interested in the Proposed Resolution, she has abstained from issuing a view on the Proposed Resolution.

In relation to the Proposed Resolution, the Audit Committee (other than Ms Ko Lee Meng), having considered and reviewed, *inter alia*, the terms, the rationale and the benefits of the Specific IPTs 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, the Audit Committee concurs with the opinion of the IFA and is satisfied that, the terms of the Specific IPTs 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 Ms Ko Lee Meng) recommends that the independent Shareholders vote in favour of the Proposed Resolution to be proposed at the EGM, notice of which is set out on page D1 of this Circular.

9. INDEPENDENT DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the terms, the rationale for and benefits of the Specific IPTs, as well as the opinion and advice of the IFA, the Independent Directors are of the view that the Specific IPTs are in the best interests of the Company. Accordingly, the Independent Directors recommend that the independent Shareholders vote in favour of the Proposed Resolution to be proposed at the EGM, notice of which is set out on page D1 of this Circular.

10. CONSENTS

Consent by the IFA. ZICO Capital Pte. Ltd. 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 and references to its name and the IFA Letter, in the form and context in which they appear in this Circular.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page D1 of this Circular, will be held at Aspial One, 55 Ubi Avenue 3, Level 1, Singapore 408864 on 16 October 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Resolution set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY THE SHAREHOLDERS

12.1 Appointment of Proxies. Shareholders will find enclosed with this Circular, the Notice of EGM and a proxy form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy or proxies to attend and vote at the EGM on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, not later than 10.00 a.m. on 13 October 2023

(being not less than 72 hours before the time appointed for holding the EGM). Completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM in place of the proxy if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder 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 proxy form to the EGM.

In addition, the Interested Parties and each of their respective associates shall also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed Resolution (as the case may be) unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of the Proposed Resolution.

12.2 Note for Depositors. A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Aspiat Shares entered against his name in the Depository Register, as certified by CDP 72 hours before the time appointed for holding the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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 Specific IPTs and the Aspiat Group, 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.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution of the Company;
- (ii) the annual report of the Company for FY2022;
- (iii) the IFA Letter; and
- (iv) the letter of consent from IFA referred to in paragraph 10 of the Letter to Shareholders in this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
ASPIAL CORPORATION LIMITED

Mr. Wong Soon Yum
Lead Independent Director

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APPENDIX A

IFA LETTER

29 September 2023

To: The Independent Directors of Aspial Corporation Limited (the “**Company**”)

Mr. Wong Soon Yum
Ms. Ng Bie Tjin @ Djuniarti Intan
Mr. Ong Tuen Suan

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

Dear Sirs,

THE PROPOSED ALLOTMENT AND ISSUE OF PERPETUAL SECURITIES (DEFINED HEREUNDER) BY THE COMPANY AS INTERESTED PERSON TRANSACTIONS PURSUANT TO THE PROPOSED INVITATION TO EXISTING NOTEHOLDERS TO OFFER TO EXCHANGE ANY AND ALL OF THEIR EXISTING NOTES FOR A LIKE PRINCIPAL AMOUNT OF PERPETUAL SECURITIES

*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 the Company (“**Shareholder(s)**”) dated 29 September 2023 (the “**Circular**”).*

1. INTRODUCTION

1.1 The Company (in the case of the Series 007 Notes (defined hereunder)) and its wholly-owned subsidiary, Aspial Treasury Pte. Ltd. (“**Aspial Treasury**”) (in the case of the Series 008 Notes and the Series 009 Notes (defined hereunder)) had on 21 August 2023, announced their intention to launch an exchange offer exercise (the “**Proposed Exchange Offer**”) pursuant to which all holders of the Series 007 Notes, the Series 008 Notes and the Series 009 Notes (collectively, the “**Existing Notes**”) (the “**Existing Noteholder(s)**”) (including any Existing Noteholders who are Shareholders) may elect to:-

- (i) exchange any and all of their Existing Notes for a like principal amount of Singapore dollar-denominated fixed rate subordinated perpetual securities proposed to be issued by the Company under the Programme (defined hereunder) (the “**Perpetual Securities**”), subject to the terms and conditions to be set out in the exchange offer memorandum to be issued to the Existing Noteholders; or
- (ii) retain any or all of their Existing Notes, in which case any Existing Notes retained will continue to be subject to the current terms and conditions of the Existing Notes.

1.2 The Existing Notes comprise the following notes issued by the Company and Aspial Treasury pursuant to the S\$700,000,000 Multicurrency Debt Issuance Programme of the Company and Aspial Treasury, and (in respect of securities issued by Aspial Treasury) unconditionally and irrevocably guaranteed by the Company (the “**Programme**”):

- (i) the Company’s S\$50,000,000 fixed rate notes (6.50 per cent. from (and including) 20 March 2020 to (but excluding) 20 March 2023 and 6.75 per cent. from (and including) 20 March 2023 to (but excluding) 20 March 2025) due March 2025 (ISIN: SGXF39054444) comprised in Series 007 issued pursuant to the Programme and listed on 23 March 2020 (the “**Series 007 Notes**”);
- (ii) Aspial Treasury’s S\$75,000,000 6.15 per cent. notes due January 2024 (ISIN: SGXF20337501) comprised in Series 008 issued pursuant to the Programme and guaranteed by the Company and listed on 25 January 2021 (the “**Series 008 Notes**”); and

(iii) Aspiat Treasury's S\$70,000,000 6.00 per cent. notes due July 2024 (ISIN: SGXF22368025) comprised in Series 009 issued pursuant to the Programme and guaranteed by the Company and listed on 2 July 2021 (the "**Series 009 Notes**").

1.3 The following Existing Noteholders are interested persons of the Company pursuant to Rule 904(4) of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"):

- (i) Mr. Koh Wee Seng (Director, Chief Executive Officer and controlling shareholder of the Company);
- (ii) Ms. Koh Lee Hwee (Director and controlling shareholder of the Company);
- (iii) Ms. Ko Lee Meng (Director and controlling shareholder of the Company);
- (iv) Mr. Ng Sheng Tiong (Executive Director and Chief Executive Officer of World Class Global Pte. Ltd., a subsidiary of the Company. He is the husband of Ms. Koh Lee Hwee);
- (v) Mdm. Tan Su Lan (mother of Mr. Koh Wee Seng, Ms. Ko Lee Meng and Ms. Koh Lee Hwee);
- (vi) Mr. Koh Wee Meng (brother of Mr. Koh Wee Seng, Ms. Ko Lee Meng and Ms. Koh Lee Hwee);
- (vii) AF Global Investment Holding Pte. Ltd. (a company in which Mr. Koh Wee Seng and Mr. Koh Wee Meng have an interest of 30 per cent. or more) ("**AF Global**");
- (viii) DN Global Pte. Ltd. (a company in which Ms. Koh Lee Hwee has an interest of 30 per cent. or more) ("**DN Global**");
- (ix) MLHS Holdings Pte. Ltd. (holding company of the Company) ("**MLHS**");
- (x) Ms. Lim Kwee Hua (spouse of Mr. Koh Wee Seng);
- (xi) Mr. Koh Yong Hui, Kelvin (child of Ms. Ko Lee Meng);
- (xii) Mr. Xavier Koh Hong Wei (child of Mr. Koh Wee Seng);
- (xiii) Mr. Alvis Ng (child of Ms. Koh Lee Hwee); and
- (xiv) Ms. Ng Irene (child of Ms. Koh Lee Hwee),

(each an "**Interested Party**" and collectively, the "**Interested Parties**").

The Interested Parties are intending to offer to exchange some or all of their Existing Notes for Perpetual Securities pursuant to the Proposed Exchange Offer, and their participation in the Proposed Exchange Offer constitute "interested person transactions" under Chapter 9 of the Listing Manual. The Company will therefore be seeking Shareholders' approval at the extraordinary general meeting of the Company to be convened ("**EGM**"), for the proposed participation of the Interested Parties in the Proposed Exchange Offer (the "**Specific IPTs**").

1.4 ZICO Capital Pte. Ltd. ("**ZICO Capital**") has been appointed by the Company as the independent financial adviser ("**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors on whether the terms of the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This IFA letter ("**IFA Letter**") has been prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as for the use of the Independent Directors to provide an opinion on whether the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This IFA Letter forms part of the Circular to be despatched to Shareholders and should be read in its entirety.

2. TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise Independent Directors on whether the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We were not involved in or responsible for, any aspect in the negotiations pertaining to the Proposed Exchange Offer, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Exchange Offer. We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Exchange Offer and the Specific IPTs, other than to express an opinion on whether the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have, however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion. The scope of our appointment does not require us to express, nor do we express, a view on the future growth prospects, earnings potential or value of the Company. We do not express any view as to the price at which the ordinary shares in the Company (“**Aspial Shares**”) may trade upon completion of the Proposed Exchange Offer nor on the future value, financial performance or condition of the Company after the completion of the Proposed Exchange Offer. It is also not within our terms of reference to compare the merits of the Proposed Exchange Offer and the Specific IPTs to any alternative transactions that were or may have been available to the Company. Such comparison and consideration remain the responsibility of the Directors and their advisers.

In the course of our evaluation of the Specific IPTs, we have held discussions with the Directors and the management of the Company (“**Management**”). We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations provided by the Company. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability and accuracy of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the real properties) of the Company, its subsidiaries and associated companies (the “**Group**”).

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 and completeness 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 Exchange Offer, the Specific IPTs and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading.

Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) prevailing on, as well as our analysis of the information made available to us (including the Group’s audited financial results for the year ended 31 December 2022 and unaudited interim financial results for the 6 months ended 30 June 2023), as at 25 September 2023 (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, factors or assumptions in light of any subsequent developments after the Latest Practicable Date that may affect our opinion or factors or assumptions contained therein. Shareholders should take note of any announcements relevant to their consideration of the Specific IPTs, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. We 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 (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 (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 (except for this IFA Letter).

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual, and for the use by the Independent Directors in connection with their consideration of the Specific IPTs, but any recommendations made by the Independent Directors in respect of the Specific IPTs 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 purposes (other than for the consideration of the Specific IPTs) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Specific IPTs should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE SPECIFIC IPTS

3.1 Existing Noteholders who are Interested Parties

As set out in **Section 4.2** of the Circular, each of the Interested Party set out under **Section 1.3** of this IFA Letter holds the following aggregate principal amount of Existing Notes:

Name of Interested Party	Aggregate principal amount of Existing Notes held (S\$)			
	Series 007 ⁽¹⁾	Series 008 ⁽²⁾	Series 009 ⁽³⁾	Total
Koh Wee Seng	14,750,000	25,250,000	–	40,000,000
Ko Lee Meng	2,500,000	3,000,000	–	5,500,000
Koh Lee Hwee	1,000,000	3,000,000	–	4,000,000
Koh Wee Meng	–	5,000,000	59,000,000	64,000,000
AF Global	8,000,000	3,000,000	–	11,000,000
Tan Su Lan	6,000,000	1,250,000	–	7,250,000
Ng Sheng Tiong	–	4,750,000	4,000,000	8,750,000
Lim Kwee Hua	7,750,000	750,000	–	8,500,000
DN Global	2,750,000	–	–	2,750,000
MLHS	–	3,500,000	–	3,500,000
Koh Yong Hui, Kelvin	500,000	750,000	–	1,250,000
Xavier Koh Hong Wei	–	500,000	–	500,000
Alvis Ng	–	250,000	–	250,000
Ng Irene	–	250,000	–	250,000
Total	43,250,000	51,250,000	63,000,000	157,500,000
Outstanding Principal Amount of Existing Notes	50,000,000	75,000,000	70,000,000	195,000,000
Percentage of Existing Notes Held by Interested Parties	86.5%	68.3%	90.0%	80.8%

Notes:

- (1) The S\$50.0 million Series 007 Notes were issued on 20 March 2020 with interest rate of 6.50% per annum. On 30 November 2022, a resolution in writing was signed by or on behalf of the holders of the Series 007 Notes representing not less than 90% in principal amount of the Series 007 Notes outstanding to, *inter alia*, (i) extend the maturity date of the Series 007 Notes by 2 years from 20 March 2023 to 20 March 2025, and (ii) revise the interest rate of the Series 007 Notes from 6.50% to 6.75% per annum for its extended tenure for the period beginning on (and including) the original maturity date of 20 March 2023.
- (2) The S\$75.0 million Series 008 Notes were issued on 22 January 2021 with interest rate of 6.15% per annum, and are due 22 January 2024.
- (3) The S\$70.0 million Series 009 Notes were issued on 1 July 2021 with interest rate of 6.00% per annum. On 19 May 2022, a resolution in writing was signed by or on behalf of the holders of the Series 009 Notes representing not less than 90% in principal amount of the Series 009 Notes outstanding to, *inter alia*, extend the maturity date of the Series 009 Notes by 2 years from 1 July 2022 to 1 July 2024.

3.2 The Proposed Exchange Offer

The Proposed Exchange Offer will allow all Existing Noteholders, including the Interested Parties, to exchange any and all of their Existing Notes for a like principal amount of Perpetual Securities. The exchange consideration for the Existing Notes under the terms of the Proposed Exchange Offer is the sum of (i) a principal amount of Perpetual Securities equal to 100 per cent. of the principal amount of the Existing Notes which have been offered for exchange for the Perpetual Securities (the “**Offered Notes**”) and which have been accepted for exchange pursuant to the Proposed Exchange Offer, and (ii) an amount in cash equal to the amount of accrued and unpaid interest in respect of the Offered Notes which have been accepted for exchange pursuant to the Proposed Exchange Offer, calculated in accordance with the terms and conditions of such Offered Notes (“**Exchange Consideration**”).

In the event the Interested Parties exchange all of their Existing Notes for a like principal amount of the Perpetual Securities, the Interested Parties will hold an aggregate principal amount of S\$157,500,000 of the Perpetual Securities.

3.3 Proposed salient terms of the Perpetual Securities

The proposed salient terms of the Perpetual Securities have been extracted from **Appendix B** to the Circular and are replicated in italics below:

Issue *Singapore dollar-denominated fixed rate subordinated perpetual securities to be issued under the Programme.*

Maturity Date *The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date.*

Status of Perpetual Securities *The Perpetual Securities will constitute direct, unconditional, subordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with any Parity Obligations* of the Company.*

Note:

* “**Parity Obligations**” refer to any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Company (1) which ranks or is expressed to rank, by its terms or by operation of law, pari passu with the Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Company and/or, in the case of an instrument or security guaranteed by the Company, the issuer thereof

Ranking of claims on Winding-up *Subject to the insolvency laws of Singapore and other applicable laws, in the event of the bankruptcy, winding-up, liquidation, receivership or similar proceedings (“**Winding-up**”) of the Company, the rights of the holders of the Perpetual Securities (“**Perpetual Securityholders**”) to payment of principal of and distribution on the Perpetual Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Company but at least pari passu with all other subordinated obligations of the Company that are not expressed by their terms to rank junior to the Perpetual Securities and in priority to the claims of shareholders of the Company.*

Limited right to institute proceedings *The right to institute proceedings for Winding-up of the Company is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Company has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities (as set out below).*

Distribution Rate	<p>The Distribution Rate of the Perpetual Securities shall be:</p> <ul style="list-style-type: none"> (i) in respect of the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date, 6.50 per cent. per annum; (ii) in respect of the period from (and including) the Step-Up Date to (but excluding) the First Reset Date, 6.70 per cent. per annum; and (iii) in respect of the period from (and including) the First Reset Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate.
Distribution Commencement Date	The date on which the Perpetual Securities are issued (the "Issue Date").
Step-Up Date	The date falling three (3) years from the Issue Date.
First Reset Date	The date falling five (5) years from the Issue Date.
Reset Date	The First Reset Date and each date falling every five (5) years after the First Reset Date.
Reset Distribution Rate	The Relevant Rate plus the Initial Spread plus the Step-Up Margin.
Relevant Rate	5-year SORA-OIS as at each relevant Reset Date.
Initial Spread	To be determined by the Company prior to the launch of the Proposed Exchange Offer.
Step-Up Margin	0.20 per cent. per annum.
Distribution Payment Date(s)	Each date which falls the six (6) months after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).
Redemption at the Option of the Company	The Company may on irrevocable notice being given to the Perpetual Securityholders, redeem in whole, but not in part, the Perpetual Securities on the First Reset Date or any Distribution Payment Date thereafter.
Distribution Discretion under Condition 4(IV) of the Perpetual Securities ("Distribution Discretion Condition")	
Optional Payment under Condition 4(IV)(a) of the Perpetual Securities	<p>The Company may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the trustee of the Perpetual Securities (the "Trustee") and the issuing and paying agent of the Perpetual Securities (the "Issuing and Paying Agent") and the Perpetual Securityholders (in accordance with the notice provisions in Condition 14 of the Perpetual Securities) not more than 10 nor less than 5 business days prior to a scheduled Distribution Payment Date.</p> <p>The Company may not elect to defer any distribution if during the 12 months ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "Compulsory Distribution Payment Event") have occurred:</p>

- (i) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Company's Junior Obligations* or, (except on a pro rata basis) any of the Company's Parity Obligations; or
- (ii) any of the Company's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, (except on a pro rata basis) any of the Company's Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, consultants or directors of the Group or (B) as a result of the exchange or conversion of Parity Obligations of the Company for Junior Obligations of the Company. For the avoidance of doubt, a Compulsory Distribution Payment Event shall not occur, and accordingly nothing in Condition 4(IV)(a) of the Perpetual Securities shall restrict the Company from electing to defer any distribution, merely as a result of any dividends, distributions or payments or other actions made by the Company in respect of obligations which are not the Company's Junior Obligations or which are not the Company's Parity Obligations.

Note:

* "Junior Obligations" refer to any of the Company's ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities.

No Obligation to Pay under Condition 4(IV)(b) of the Perpetual Securities

Subject to Condition 4(IV)(c) and Condition 4(IV)(d) of the Perpetual Securities, the Company shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Company in respect of the Perpetual Securities.

Cumulative Deferral under Condition 4(IV)(c) of the Perpetual Securities

Any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "Arrears of Distribution". The Company may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Company is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Restrictions in the case of Non-Payment under Condition 4(IV)(d) of the Perpetual Securities

If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Company shall not:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Company's Junior Obligations or, (except on a pro rata basis) any of the Company's Parity Obligations; or

- (ii) *redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Company's Junior Obligations or, (except on a pro rata basis) any of the Company's Parity Obligations,*

in each case, other than (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, consultants or directors of the Group or (B) as a result of the exchange or conversion of Parity Obligations of the Company for Junior Obligations of the Company unless and until (I) the Company has satisfied in full all outstanding Arrears of Distribution or (II) the Company is permitted to do so by an extraordinary resolution of the Perpetual Securityholders.

Satisfaction of Arrears of Distribution under Condition 4(IV)(e) of the Perpetual Securities

The Company:

- (i) *may, at its sole discretion, satisfy an Arrears of Distribution, (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with the notice provisions in Condition 14 of the Perpetual Securities) not more than 20 nor less than 10 business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Company to pay the relevant Arrears of Distribution on the payment date specified in such notice); and*
- (ii) *in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:*
 - (A) *the date of redemption of the Perpetual Securities in accordance with the redemption events set out in the terms and conditions of the Perpetual Securities;*
 - (B) *the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) of the Perpetual Securities or the occurrence of a Compulsory Distribution Payment Event; and*
 - (C) *the date such amount becomes due under Condition 9 of the Perpetual Securities or on a Winding-up of the Company.*

Any partial payment of an Arrears of Distribution by the Company shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a pro rata basis.

4. EVALUATION OF THE SPECIFIC IPTS

In our evaluation of the Specific IPTs, we have given due consideration to the following factors:

- (a) the rationale for the Proposed Exchange Offer;
- (b) the financial performance and position of the Group;
- (c) the terms of the Perpetual Securities;
- (d) comparison of the Perpetual Securities with existing debt securities issued by the Group;
- (e) the financial effects of the Proposed Exchange Offer; and
- (f) other relevant considerations.

4.1 Rationale for the Proposed Exchange Offer

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Exchange Offer. Nevertheless, we have reviewed the Company's rationale for the Proposed Exchange Offer as set out in **Section 3** of the Circular. The rationale of the Proposed Exchange Offer has been extracted and set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

***“Refinancing Existing Notes.** The Series 007 Notes are due March 2025, the Series 008 Notes are due January 2024 and the Series 009 Notes are due July 2024. Given the upcoming maturity of the Existing Notes over the next two years, the Proposed Exchange Offer would serve to refinance the Existing Notes through the issuance of Perpetual Securities, which are redeemable only at the option of the Company.*

***Minimising Costs Associated with the Refinancing.** The Company believes that the Proposed Exchange Offer will minimise the need for separate refinancing exercises in respect of the Existing Notes that are exchanged for Perpetual Securities, due in part to the fact that the Perpetual Securities do not have a fixed redemption date and are redeemable only at the option of the Company. This is likely to reduce legal costs and professional fees which are incurred with each refinancing exercise.*

***Improving Leverage Ratio.** The rationale for the Proposed Exchange Offer is also to improve the overall leverage ratio of the Company, as the Perpetual Securities will be classified as an equity-like instrument for the purposes of the financial statements of the Company.”*

4.2 Financial performance and position of the Group

Financial performance

A summary of the selected items of the audited consolidated financial statements of the Group for the financial years ended 31 December 2020 (“**FY2020**”), 31 December 2021 (“**FY2021**”) and 31 December 2022 (“**FY2022**”), as well as the unaudited condensed financial statements of the Group for the 6-month period ended 30 June 2022 (“**1H2022**”) and 30 June 2023 (“**1H2023**”) is set out below.

(S\$'000)	Audited			Unaudited	
	FY2020	FY2021	FY2022	1H2022	1H2023
Revenue	531,246	417,176	506,236	252,053	283,180
Profit/(Loss) before tax	49,583	6,586	(3,505)	7,529	(13,485)
Profit/(Loss) attributable to owners of the Company	17,742	(363)	(14,710)	(532)	(14,996)

FY2020 vs FY2021

The Group's revenue of S\$417.2 million for FY2021 was S\$114.1 million or 21.5% lower than the revenue in FY2020. The lower revenue was due to the decrease in contribution from the Group's real estate and financial service businesses, partially offset by higher revenue from the Group's jewellery business.

The Group's jewellery business revenue increased by 40.4% to S\$141.0 million in FY2021. This was mainly due to higher sales from both local and overseas jewellery businesses.

Revenue from the Group's financial service business decreased by S\$37.1 million or 14.1% to S\$225.7 million in FY2021. The decrease was mainly due to lower revenue from the trading of jewellery. The decrease was partially offset by the increase in retail sales and interest income from the pawnbroking business both locally and regionally.

The Group's real estate business recorded a revenue of S\$52.0 million in FY2021 as compared to S\$170.3 million in FY2020. The decrease was due to lower sales and settlement.

The Group's pre-tax profit of S\$6.6 million for FY2021 was 86.7% lower than the S\$49.6 million recorded in FY2020.

In line with the increase in revenue, the Group's jewellery business recorded a higher pre-tax profit of S\$20.8 million in FY2021 as compared to S\$10.4 million in FY2020.

The pre-tax profit for the Group's financial business declined by 39.9% to S\$17.6 million in FY2021. The decrease was mainly due to lower gross profit and other income together with higher operating costs. The lower gross profit was mainly due to lower profit from the sales of unredeemed pledges and the trading of jewellery.

The Group's real estate business recorded a pre-tax loss of S\$30.4 million in FY2021 as compared to a pre-tax profit of S\$13.6 million in FY2020. The pre-tax loss was mainly due to the lower revenue and gross profit from sales settlement and revaluation loss in FY2021.

The Group's associate, AF Global Limited, was affected by the temporary closure and low occupancy of its hotel in Phuket (Thailand) due to the pandemic, resulting in an overall loss in FY2021.

FY2021 vs FY2022

The comparative financial performance disclosure for FY2021 had been restated to reflect the internal re-organisation of the Group's retail of jewellery segment.

The Group's revenue of S\$506.2 million in FY2022 was S\$89.1 million or 21.4% higher than the revenue in FY2021. All its core businesses recorded revenue growth which was led by the retail business which registered a 23.4% increase in revenue from S\$317.1 million in FY2021 to S\$391.2 million in FY2022.

The revenue growth for the retail business for FY2022 was mainly due to higher sales recorded by the Group's jewellery business.

Revenue from the Group's financial service business increased by S\$5.5 million or 11.4% to S\$53.6 million in FY2022. The increase was mainly due to higher interest income from its growing pledge book.

The Group's real estate business recorded revenue of S\$61.4 million in FY2022 as compared to S\$52.0 million in FY2021. The increase was due to higher sales and settlement for Australia 108.

The Group recorded a pre-tax loss of S\$3.5 million for FY2022 as compared to a pre-tax profit of S\$6.6 million recorded in FY2021. The pre-tax loss was mainly due to impairment loss and foreign exchange loss for its overseas real estate business.

In line with the increase in revenue, the Group's retail business recorded a higher pre-tax profit of S\$31.3 million in FY2022 as compared to S\$29.6 million in FY2021. The pre-tax profit for the Group's financial service business increased by 5.9% to S\$9.3 million in FY2022. The Group's real estate business recorded a pre-tax loss of S\$34.3 million in FY2022 as compared to a pre-tax loss of S\$30.4 million in FY2021. The pre-tax loss was mainly due to higher foreign exchange loss and the S\$8.3 million write down of a development property in Brisbane which is now classified as property held for sale. The share of results from associates and a joint venture was mainly attributable to the profit of the bullion business and jewellery business in Europe.

Excluding the abovementioned impairment loss, pre-tax profit for the Group for FY2022 would have been S\$4.8 million.

1H2022 vs 1H2023

In 1H2023, the Group registered a 12.3% increase in revenue to S\$283.2 million as compared to S\$252.1 million in 1H2022. All three core businesses recorded revenue growth, led by the Group's retail business registering a 10.7% increase in revenue to S\$213.1 million in 1H2023, from S\$192.5 million in 1H2022.

Revenue from the Group's financial service business increased by S\$5.7 million or 21.9% to S\$31.7 million in 1H2023, driven predominantly by higher interest income from its growing Singapore pledge book, complemented by interest income from its newly acquired subsidiary in Malaysia.

Revenue from the Group's real estate business increased by S\$4.8 million or 14.3% to S\$38.4 million in 1H2023 as compared to S\$33.6 million in 1H2022. The increase was mainly due to the sale of a property in Malaysia, while the Australia 108 development in Australia continued to contribute to the bulk of the real estate business revenue in 1H2023.

In 1H2023, the Group recorded higher sales and marketing costs, incurred higher interest expense and foreign exchange loss from its overseas businesses.

The Group recorded a pre-tax loss of S\$13.5 million in 1H2023 as compared to a pre-tax profit of S\$7.5 million in 1H2022 mainly due to the higher pre-tax loss recorded by the real estate business.

Pre-tax profit from the Group's financial service business increased significantly by 28.1% to S\$8.4 million in 1H2023. The higher pre-tax profit was primarily attributable to its Singapore pawnbroking business.

The Group's retail business recorded a lower pre-tax profit of S\$10.2 million in 1H2023 as compared to S\$15.6 million in 1H2022. The lower pre-tax profit for the retail business was mainly due to higher operating expenses and finance costs.

The pre-tax loss for the real estate business increased to S\$27.3 million in 1H2023 from S\$12.2 million in 1H2022. This was primarily driven by several factors, including a reduction in gross profit, substantial forex losses arising from loans extended to the Group's Malaysian subsidiaries, losses incurred on a bulk sale of tenanted apartments in the Australia 108 development, increased selling cost and higher interest expense. Despite reducing the Group's outstanding loans, the elevated interest rate has resulted in higher interest expense.

Excluding the foreign exchange loss of S\$6.4 million and the non-recurring loss of S\$2.2 million arising from the bulk sale of tenanted apartments, the Group's 1H2023's pre-tax loss would have been S\$4.9 million.

The share of results from associates and a joint venture in 1H2023 increased by S\$1.0 million to S\$1.1 million, mainly attributable to higher profit contributions from both the bullion and hospitality businesses.

Financial Position

(S\$'000)	Audited			Unaudited
	31 December 2020	31 December 2021	31 December 2022	30 June 2023
Non-current assets	578,653	589,520	571,983	559,212
Current assets	1,006,684	1,027,038	1,042,300	1,047,341
Total assets	1,585,337	1,616,558	1,614,283	1,606,553
Non-current liabilities	490,325	415,313	526,322	446,122
Current liabilities	648,071	763,715	691,595	778,032
Total liabilities	1,138,396	1,179,028	1,217,917	1,224,154
Total equity	446,941	437,530	396,366	382,399
Equity attributable to owners of the Company	339,730	352,728	312,277	293,365

As at 31 December 2021

The Group's total equity decreased from S\$446.9 million as at 31 December 2020 to S\$437.5 million as at 31 December 2021. This was mainly contributed by the decrease in other reserves, revenue reserves and non-controlling interests. The decrease in other reserves was mainly due to the foreign currency translation loss.

The Group's total assets of S\$1,616.6 million as at 31 December 2021 was S\$31.2 million higher as compared to 31 December 2020. This was mainly attributable to the increase in trade and other receivables, inventories, property, plant and equipment and development properties, partially offset by the decrease in properties held for sale and cash and bank balances. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business. The increase in property, plant and equipment was mainly due to the purchase of three commercial properties in Singapore by the financial service business. The decrease in properties held for sale was mainly due to the settlements of units sold for Australia 108.

The Group's total liabilities of S\$1,179.0 million as at 31 December 2021 was S\$40.6 million higher than that as at 31 December 2020. This was largely due to the increase in interest-bearing loans and borrowings and lease liabilities, partially offset by the redemptions of the Group's outstanding term notes in April and October 2021 and the decrease in trade and other payables, derivatives and amount due to immediate holding company. The increase in total loans and borrowings was mainly attributable to the increase in working capital and mortgage loans for the financial service business.

As at 31 December 2022

The Group's total equity decreased from S\$437.5 million as at 31 December 2021 to S\$396.4 million as at 31 December 2022. This was mainly due to the decrease in other reserves and revenue reserves. The decrease in other reserves was mainly due to the foreign currency translation loss. The decrease in revenue reserves was mainly due to loss attributable to owner in FY2022 and final dividend declared for FY2021.

The Group's total assets of S\$1,614.3 million as at 31 December 2022 was S\$2.3 million lower as compared to 31 December 2021. This was mainly attributable to the decrease in development properties, investment properties, properties held for sale and investment in associates, partially offset by the increase in trade and other receivables, inventories, cash and bank balances, property, plant and equipment and right-of-use assets. The decrease in development properties, investment properties and properties held for sale were mainly due to the weakening of the Australian Dollar, allowance for write down of a development property in Brisbane which was subsequently classified as property held for sale and settlements of units sold for Australia 108. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business. The increase in property, plant and equipment was mainly due to the purchase of a property by the Group's overseas jewellery business and refurbishment of the Group's overseas hotels.

The Group's total liabilities of S\$1,217.9 million as at 31 December 2022 was S\$38.9 million higher than that as at 31 December 2021. This was largely due to the increase in trade and other payables, lease liabilities and issuance of term notes by its subsidiary in January 2022, partially offset by the decrease in loans and borrowings and deferred tax liabilities.

As at 30 June 2023

The Group's total equity decreased from S\$396.4 million as at 31 December 2022 to S\$382.4 million as at 30 June 2023. This was mainly due to the decrease in revenue reserves and other reserves. The decrease in revenue reserves was mainly due to loss attributable to owners in 1H2023. The decrease in other reserves was mainly due to the foreign currency translation loss and net fair value changes on debt and equity instruments at FVOCI.

The Group's total assets of S\$1,606.6 million as at 30 June 2023 was S\$7.7 million lower as compared to 31 December 2022. This was mainly attributable to the decrease in properties held for sale, investment properties, cash and bank balances and property, plant and equipment, partially offset by the increase in trade and other receivables, right-of-use assets, intangible

assets and inventories. The decrease in properties held for sale and investment properties were mainly due to the weakening of Australian Dollar and Malaysian Ringgit and settlements of units sold for Australia 108 and a Malaysia property. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business.

The Group's total liabilities of S\$1,224.2 million as at 30 June 2023 was S\$6.2 million higher than that as at 31 December 2022. This was largely due to the increase in trade and other payables and lease liabilities, partially offset by the decrease in provision for taxation, deferred tax liabilities, derivatives and loans and borrowings.

4.3 The terms of the Perpetual Securities

4.3.1 Comparison with recent perpetual securities listed on the SGX-ST

For the purpose of our analysis, we have benchmarked salient terms of the Perpetual Securities with the relevant terms of non-convertible perpetual securities listed on the SGX-ST since January 2022, which we believe will offer a more current indicator of distribution rate expectations *vis-à-vis* general interest rate conditions ("**Recent Perpetual Securities**").

The circumstances, structure and pricing of each of the Recent Perpetual Securities will depend on a number of factors such as the time of issuance of such perpetual securities and the prevailing benchmark interest rates, the issuer's business activities, scale and size of operations, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, future prospects, existing capital structure and other relevant factors. In addition, the Recent Perpetual Securities are publicly-listed and their market prices may be inflated or depressed due to market speculation, market pressures and/or trading activities. We wish to highlight that none of the issuers of the Recent Perpetual Securities are exactly comparable to the Company. In particular, the Company's market capitalisation and net debt to equity ratio differ significantly from the issuers of the Recent Perpetual Securities. Accordingly, the Independent Directors should note that the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

Issuer	Issue date	Market capitalisation ⁽¹⁾ of issuer or the guarantor (where the issuer is not publicly listed) (\$'mil)	Initial distribution rate (%)	Step-up margin (per annum)	Reset frequency (years)	Period between Issue Date to First Reset Date (years)	Initial spread (%)	Relevant Rate	Reset distribution rate	Yield to call ⁽¹⁾ (%)	Yield to maturity ⁽¹⁾ (%)	Net debt to equity ⁽¹⁾
Oversea-Chinese Banking Corporation Ltd	15-Aug-23	57,202	4.500	N/A ⁽²⁾	5.00	5.50	1.335	5-year SORA-OIS	Relevant Rate + Initial Spread	4.017	4.648	N/A ⁽³⁾
Singapore Technologies Telemedia Pte Ltd	11-Jul-23	N/A ⁽⁴⁾	5.500	1.00%	7.00	7.00	2.247	7-year SORA-OIS	Relevant Rate + Initial Spread + Step-up margin	5.200	6.200	N/A ⁽⁴⁾
United Overseas Bank Ltd	19-Jan-23	47,581	5.250	N/A ⁽²⁾	5.00	5.00	2.393	5-year SORA-OIS	Relevant Rate + Initial Spread	4.149	5.515	N/A ⁽³⁾
United Overseas Bank Ltd	4-Jul-22	47,581	4.250	N/A ⁽²⁾	5.00	5.25	1.470	5-year SORA-OIS	Relevant Rate + Initial Spread	4.144	4.820	N/A ⁽³⁾
ESR-LOGOS REIT	9-Jun-22	2,344	5.500	N/A ⁽²⁾	5.00	5.00	2.958	5-year SORA-OIS	Relevant Rate + Initial Spread	7.187	6.605	0.90
Oversea-Chinese Banking Corporation Ltd	8-Jun-22	57,202	3.900	N/A ⁽²⁾	5.00	5.00	1.416	5-year SORA-OIS	Relevant Rate + Initial Spread	4.063	4.774	N/A ⁽³⁾
Lendlease Global Commercial REIT	11-Apr-22	1,290	5.250	N/A ⁽²⁾	3.00	3.00	3.043	3-year SORA-OIS	Relevant Rate + Initial Spread	5.814	6.510	0.46
SingPost Group Treasury Pte Ltd	6-Apr-22	1,136	4.350	0.25% to 1.00%	5.00	5.25	2.183	5-year SORA-OIS	Relevant Rate + Initial Spread + Step-up margin	5.082	5.755	0.15
	High	57,202	5.500	1.00%	7.00	7.00	3.043			7.187	6.605	0.90
	Low	1,136	3.900	0.25%	3.00	3.00	1.335			4.017	4.648	0.15
	Median	2,344 ⁽⁵⁾	4.875	- ⁽⁶⁾	5.00	5.13	2.215			4.616	5.635	0.46 ⁽⁶⁾
	Average	21,910 ⁽⁵⁾	4.813	- ⁽⁶⁾	5.00	5.13	2.131			4.957	5.603	0.50 ⁽⁶⁾
Aspial Corporation Limited		138	6.500	0.20%	5.00	5.00	3.010 ⁽⁷⁾	5-year SORA-OIS	Relevant Rate + Initial Spread + Step-up margin	6.499 ⁽⁸⁾	6.500 ⁽⁸⁾	2.53

Source: Bloomberg L.P. and announcements, information memorandums and pricing supplements publicly released by the respective issuers of the Recent Perpetual Securities.

Notes:

- (1) Market capitalisation, yield to call and yield to maturity of the Recent Perpetual Securities are as at close of trading on the Latest Practicable Date. Net debt to equity is computed based on the respective issuers' latest audited financial statements. The aforementioned data have been extracted from Bloomberg L.P.. Yield to maturity of the Recent Perpetual Securities is computed based on the assumption that the Recent Perpetual Securities will mature 149 years from the issue date.
- (2) Not applicable as these issued perpetual securities do not have any provisions for step-up in margins.
- (3) Not applicable as the issuers of these perpetual securities have cash and liquid investments which are in excess of total debts.
- (4) Not available as the issuer of this perpetual security is not publicly listed.
- (5) For the computation of the median and average statistics in respect of market capitalisation and net debt to equity ratio, each issuer in the above table is accounted for only once notwithstanding that it may have issued more than one perpetual security in the relevant period.
- (6) Not meaningful to compute the median and average step-up margins due to the limited sample size.
- (7) The Initial Spread of the Perpetual Securities will only be determined on or around three Business Days prior to the date of the launch of the Proposed Exchange Offer (the "**Pre-Launch Date**"). Nevertheless, for illustrative purposes, we have computed the Initial Spread of the Perpetual Securities of 3.010%, based on the initial distribution rate of the Perpetual Securities of 6.50% and the prevailing 5-year Singapore Overnight Rate Average ("**SORA**") OIS as at the Latest Practicable Date of approximately 3.49%. Shareholders should note that the 5-year SORA-OIS (an independently determined interbank interest rate benchmark) on the Pre-Launch Date may differ from the 5-year SORA-OIS as at the Latest Practicable Date. Accordingly, Shareholders should note that the Initial Spread of the Perpetual Securities on the Pre-Launch Date may differ from the aforementioned illustrative Initial Spread, and the Company will update Shareholders should there be any material deviation to the Initial Spread if and when the Proposed Exchange Offer is launched.
- (8) The yield to call and yield to maturity of the Perpetual Securities will only be available upon listing of the Perpetual Securities on the SGX-ST. Nevertheless, for illustrative purposes, we have computed the yield to call and yield to maturity of the Perpetual Securities, based on the assumption that (i) the Perpetual Securities will trade at par value; and (ii) the Perpetual Securities will mature 149 years from the issue date.

Based on the above, we note the following:

- (a) the median market capitalisation of the issuers of the Recent Perpetual Securities is approximately S\$2.3 billion, which is significantly higher than the market capitalisation of the Company of S\$138 million;
- (b) the net debt to equity ratio of the Company of 2.53 times as at 31 December 2022 is higher than the net debt to equity ratios of the issuers of the Recent Perpetual Securities which range between 0.15 time and 0.90 time;
- (c) the initial distribution rate of the Perpetual Securities of 6.50% is above the initial distribution rates of the Recent Perpetual Securities;
- (d) the Step-Up Margin of the Perpetual Securities of 0.20% per annum is lower than the step-up margins of 0.25% to 1.00% for those Recent Perpetual Securities (namely, those issued by Singapore Technologies Telemedia Pte Ltd and SingPost Treasury Pte Ltd) which have the relevant provisions for step-up margins;
- (e) the reset frequency for the Perpetual Securities of 5.00 years after the issue date is within the range of, and equivalent to the average and median reset frequencies of 5.00 years for the Recent Perpetual Securities respectively;
- (f) the period between the Issue Date and the First Reset Date of 5.00 years for the Perpetual Securities is within the range of, and equivalent to the median relevant comparable periods of 5.13 years for the Recent Perpetual Securities;
- (g) the illustrative yield to call and yield to maturity of the Perpetual Securities of 6.499% and 6.500% respectively are within the range of, and above the average and median relevant statistics of the Recent Perpetual Securities respectively;
- (h) the illustrative Initial Spread of the Perpetual Securities of 3.010% is within the range of, and above the average and median initial spreads of the Recent Perpetual Securities respectively;
- (i) the Relevant Rate of the Perpetual Securities is based on the 5-year SORA-OIS (5 years being the reset frequency of the Perpetual Securities). This is similar to the basis of computation for the Recent Perpetual Securities;

- (j) the Initial Spread of the Perpetual Securities will be determined on the Pre-Launch Date, and computed based on the initial distribution rate and the 5-year SORA-OIS (5 years being the reset frequency of the Perpetual Securities). The formula for computing the initial spread is not specifically disclosed in the published offering circulars and pricing supplements of the Recent Perpetual Securities, and the actual figures of the initial spreads of the Recent Perpetual Securities are set out directly. As such, we are unable to definitively include the formulas for the computation of the initial spreads of the Recent Perpetual Securities herein. However, based on our review of the initial spreads *vis-à-vis* prevailing SORA rates at the respective offering dates of the Recent Perpetual Securities, we believe the computation of the Initial Spread of the Perpetual Securities is generally in line with the basis of computation for the Recent Perpetual Securities; and
- (k) the Reset Distribution Rate of the Perpetual Securities is computed based on the Relevant Rate + Initial Spread + Step-up margin. This is generally in line with the basis of computation for the Recent Perpetual Securities.

4.4 Comparison of the Perpetual Securities with existing debt securities issued by the Group

We have also benchmarked salient terms of the Perpetual Securities with existing debt securities issued by the Group, namely the Existing Notes. In our analysis, we note that the timing, nature and structure of such debt securities, as well as the then prevailing benchmark interest rates are inherently different. Accordingly, such comparisons are limited and are presented for general benchmarking and illustrative purposes only.

We note the following:

- (a) The Perpetual Securities have an initial distribution rate of 6.50% per annum, and is within the interest rate range of the Existing Notes of 6.00% to 6.75% per annum;
- (b) Both the Perpetual Securities and the Existing Notes constitute unsecured obligations;
- (c) The Perpetual Securities do not have a fixed redemption date, whilst the Existing Notes have maturity dates ranging from January 2024 to March 2025 and firm redemption obligations connected therewith;
- (d) Subject to the Distribution Discretion Condition, the Company may, at its sole discretion elect not to pay a distribution (or pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by, amongst others, giving requisite notice to the holders of the Perpetual Securities. The Company may, at its sole discretion and by giving requisite notice to, amongst others, the holders of the Perpetual Securities, elect to further defer any Arrears of Distribution in accordance with the Distribution Discretion Condition, and the Company is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred, provided that the Company complies with the Distribution Discretion Condition. On the other hand, the Group has firm obligations to pay interests on the respective payment dates, and redeem the Existing Notes on the respective redemption dates, regardless of its financial position or funding needs; and
- (e) The Existing Notes are ranked *pari passu* with the unsecured obligations of the Company (in the case of the Series 007 Notes) and Aspial Treasury (in the case of the Series 008 Notes and the Series 009 Notes), whilst the Perpetual Securities are expressly subordinated to the claims of senior creditors of the Company.

4.5 The financial effects of the Proposed Exchange Offer

The illustrative financial effects of the Proposed Exchange Offer are set out in **Section 5** of the Circular, and has been extracted and set out in italics below:

NTA per Aspial Share (Full Year 2022). *The pro forma financial effects of the consolidated NTA per Aspial Share as at 31 December 2022, assuming the Proposed Exchange Offer had been completed on 31 December 2022, are as follows:*

	Before Proposed Exchange Offer	After Proposed Exchange Offer⁽³⁾
NTA (S\$'000) ⁽¹⁾	415,928	609,559
Number of issued Aspiat Shares (excluding treasury shares) ('000) ⁽²⁾	2,163,438	2,163,438
NTA per Aspiat Share (in cents)	19.23	28.18

Notes:

- (1) NTA is calculated as Total Equity + Deferred Tax Liabilities – Deferred Tax Assets – Intangible Assets.
- (2) Based on the number of issued Aspiat Shares as at 31 December 2022.
- (3) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

EPS (Full Year 2022). The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2022 assuming the Proposed Exchange Offer had been completed on 1 January 2022, are as follows:

	Before Proposed Exchange Offer	After Proposed Exchange Offer⁽¹⁾
EPS (in cents) (Before distribution to holders of the Perpetual Securities)	(0.68)	(0.14)
EPS (in cents) (After distribution to holders of the Perpetual Securities)	(0.68)	(0.72)

Notes:

- (1) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

Debt to Equity (Full Year 2022). The pro forma financial effects on the Company's net debt to total equity as at 31 December 2022 assuming the Proposed Exchange Offer had been completed on 1 January 2022, are as follows:

	Before Proposed Exchange Offer	After Proposed Exchange Offer⁽¹⁾
Net Debt to Total Equity	2.31	1.20

Notes:

- (1) The figures have been determined on the assumption that the entire aggregate principal amount of Existing Notes held by all Existing Noteholders (including the Interested Parties) are exchanged for a like principal amount of the Perpetual Securities pursuant to the Proposed Exchange Offer.

We note that, based on the assumptions detailed in **Section 5** of the Circular:

- (a) the NTA per Aspiat Share as at 31 December 2022 would improve from 19.23 cents to 28.18 cents following the Proposed Exchange Offer;
- (b) the Company's EPS for FY2022 would improve from (0.68) cents to (0.14) cents following the Proposed Exchange Offer (before distribution to holders of the Perpetual Securities). However, the Company's EPS for FY2022 would decrease to (0.72) cents after accounting for relevant distributions to the holders of the Perpetual Securities; and
- (c) the Company's net debt to total equity as at 31 December 2022 would improve from 2.31 times to 1.20 times following the Proposed Exchange Offer.

4.6 Other Relevant Considerations

4.6.1 Refinancing alternatives

We understand that the Management had considered other refinancing alternatives *vis-à-vis* the current Programme. Such refinancing alternatives include loans and borrowings, but do not offer meaningful comparable features, such as security interest, equity classification, distribution and repayment terms, with the Perpetual Securities, and any comparison by the Company across such refinancing alternatives are inherently limited. The Company had nonetheless assessed and concluded that the Proposed Exchange Offer is the most efficient refinancing option which will allow the Group to achieve an optimal capital structure at minimal cost, without adversely impacting the Group's financial position and its flexibility in managing its working capital position.

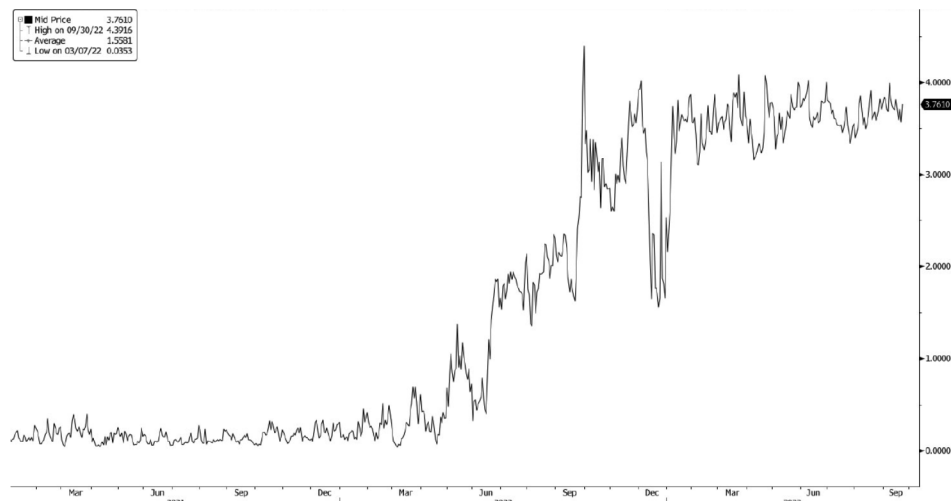
4.6.2 Flexibility in payment of distribution of the Perpetual Securities

Based on our analysis of the Recent Perpetual Securities, we note that it is typical for the issuer of the perpetual securities to have discretion to elect to defer any distribution by giving the requisite notice to holders of the securities. Should an issuer elect to defer distributions, the issuer and/or the guarantor will face certain restrictions on the declaration and payment of dividends and distributions, as well as the redemption, cancellation or buy-back of junior securities or parity securities.

Likewise, the Perpetual Securities also has payment flexibility whereby, subject to the Distribution Discretion Condition, the Company has the sole discretion to elect to defer any distribution by, amongst others, giving the requisite notice to holders of the Perpetual Securities. Should the Company elect to defer any distribution payable under the Perpetual Securities, the Company would face certain restrictions on the declaration and payment of dividends and distributions, as well as the redemption, cancellation or buy-back of junior securities or parity securities. Please refer to **Appendix B** to the Circular for further details.

4.6.3 Prevailing interest rate environment

We have also considered the current domestic interest rate conditions which remain volatile due to, *inter alia*, sustained interest rate hikes by various central banks around the world. In particular, the SORA has been on a steady rise since January 2021 through to the Latest Practicable Date, as illustrated in the table below:



Source: Bloomberg L.P.

We note that the initial distribution rate of the Perpetual Securities of 6.50% remains within the interest rate range of 6.00% to 6.75% per annum of the Existing Notes, notwithstanding the general rising interest rate environment and the fact that the Existing Notes were issued in 2020 and 2021 when benchmark interest rates were generally lower than current prevailing rates.

4.6.4 Proposed Exchange Offer available to non-Interested Parties

The Proposed Exchange Offer is extended to all Existing Noteholders, whether Interested Parties or non-Interested Parties, on the same terms.

5. OUR OPINION

In arriving at our opinion, we have taken into account the following factors which we consider to be relevant and to have a significant bearing on our assessment of the Specific IPTs:

- (a) the rationale for the Proposed Exchange Offer, specifically the fact that the Proposed Exchange Offer will allow the Company to refinance the Existing Notes through the issuance of Perpetual Securities which will be classified as equity. This will improve the Company's overall leverage, and put the Company in a much stronger financial position to tap the capital markets to fund future growth opportunities;
- (b) the initial distribution rate of the Perpetual Securities of 6.50% is above the initial distribution rates of the Recent Perpetual Securities. Nevertheless, we wish to highlight that none of the issuers of the Recent Perpetual Securities are exactly comparable to the Company as further elaborated in **Section 4.3.1** of this IFA Letter, and some of the Recent Perpetual Securities were issued more than 1.5 years ago under relatively different interest rate conditions.

In particular, we note that the higher initial distribution rate of the Perpetual Securities of 6.50% *vis-à-vis* the Recent Perpetual Securities is reflective of (i) the Company's significantly smaller market capitalisation compared with the issuers of the Recent Perpetual Securities; (ii) the Company's significantly higher net debt to equity ratio compared with the issuers of the Recent Perpetual Securities; (iii) the Programme not subject to any external and independent credit rating, unlike many of the Recent Perpetual Securities; and (iv) the increasing trend of domestic interest rates in Singapore – the SORA had increased steadily from a range of 0.0353% to 4.3916% in 2022 to a range of 2.1567% to 4.0825% during the period from 1 January 2023 to the Latest Practicable Date;

- (c) the Step-Up Margin of the Perpetual Securities of 0.20% per annum is lower than the step-up margins of the Recent Perpetual Securities of 0.25% to 1.00%;
- (d) the reset frequency for the Perpetual Securities of 5.00 years after the issue date is within the range of, and equivalent to the average and median reset frequencies of 5.00 years for the Recent Perpetual Securities respectively;
- (e) the period between the Issue Date and the First Reset Date of 5.00 years for the Perpetual Securities is within the range of, and equivalent to the median relevant comparable periods of 5.13 years for the Recent Perpetual Securities;
- (f) the illustrative yield to call and yield to maturity of the Perpetual Securities of 6.499% and 6.500% respectively, computed based on the assumption that (i) the Perpetual Securities will trade at par value; and (ii) the Perpetual Securities will mature 149 years from the issue date, are within the range of, and above the average and median relevant statistics of the Recent Perpetual Securities respectively;
- (g) the illustrative Initial Spread of the Perpetual Securities of 3.010%, computed based on the initial distribution rate of the Perpetual Securities of 6.50% and the prevailing 5-year SORA-OIS as at the Latest Practicable Date of approximately 3.49%, is within the range of, and above the average and median initial spreads of the Recent Perpetual Securities;
- (h) the initial distribution rate of the Perpetual Securities of 6.50% is within the interest rate range of the Existing Notes of 6.00% to 6.75% per annum, notwithstanding the current higher interest rate environment compared with 2020 and 2021 when the Existing Notes were issued;
- (i) the computation of Relevant Rate for the Perpetual Securities is on similar basis as that for the Recent Perpetual Securities;
- (j) the computation of Reset Distribution Rate for the Perpetual Securities is generally in line with that for the Recent Perpetual Securities;

- (k) the Initial Spread of the Perpetual Securities will be determined on the Pre-Launch Date, and computed based on the initial distribution rate and the 5-year SORA-OIS (5 years being the reset frequency of the Perpetual Securities). The formula for computing the initial spread is not specifically disclosed in the published offering circulars and pricing supplements of the Recent Perpetual Securities, and the actual figures of the initial spreads of the Recent Perpetual Securities are set out directly. As such, we are unable to definitively include the formulas for the computation of the initial spreads of the Recent Perpetual Securities herein. However, based on our review of the initial spreads *vis-à-vis* prevailing SORA rates at the respective offering dates of the Recent Perpetual Securities, we believe the computation of the Initial Spread of the Perpetual Securities is generally in line with the basis of computation for the Recent Perpetual Securities;
- (l) the expected improvement in the NTA per Aspiial Share and the Company's net debt to total equity ratio following the Proposed Exchange Offer;
- (m) the Management's view that the Proposed Exchange Offer is the most efficient refinancing option available to the Group;
- (n) the flexibility in payment of the distribution on each Distribution Payment Date, subject to the Distribution Discretion Condition; and
- (o) the Proposed Exchange Offer is also extended to all Existing Noteholders who are non-Interested Parties, on the same terms.

We have carefully considered as many factors as we deem essential and balanced them 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 carefully considered the information available to us as at the Latest Practicable Date, we are of the opinion that the Specific IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use by the Independent Directors in connection with their consideration of the Specific IPTs, but any recommendations made by the Independent Directors in respect of the Specific IPTs 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 purposes (other than for the consideration of the Specific IPTs) 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
Chief Executive Officer

Karen Soh-Tham
Managing Director

APPENDIX B

PROPOSED KEY TERMS OF THE PERPETUAL SECURITIES

The proposed principal terms of the Perpetual Securities are as follows:

Issue	Singapore dollar-denominated fixed rate subordinated perpetual securities to be issued under the Programme.
Maturity Date	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date.
Status of Perpetual Securities	The Perpetual Securities will constitute direct, unconditional, subordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with any Parity Obligations of the Company.
Ranking of claims on Winding-up	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Company, the rights of the Perpetual Securityholders to payment of principal of and distribution on the Perpetual Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Company but at least <i>pari passu</i> with all other subordinated obligations of the Company that are not expressed by their terms to rank junior to the Perpetual Securities and in priority to the claims of shareholders of the Company.
Limited right to institute proceedings	The right to institute proceedings for Winding-up of the Company is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Company has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Distribution Rate	The Distribution Rate of the Perpetual Securities shall be: <ul style="list-style-type: none">(i) in respect of the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date, 6.50 per cent. per annum;(ii) in respect of the period from (and including) the Step-Up Date to (but excluding) the First Reset Date, 6.70 per cent. per annum; and(iii) in respect of the period from (and including) the First Reset Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate.
Distribution Commencement Date	The date on which the Perpetual Securities are issued (the “ Issue Date ”).
Step-Up Date	The date falling three (3) years from the Issue Date.
First Reset Date	The date falling five (5) years from the Issue Date.
Reset Date	The First Reset Date and each date falling every five (5) years after the First Reset Date.
Reset Distribution Rate	The Relevant Rate plus the Initial Spread plus the Step-Up Margin.
Relevant Rate	5-year SORA-OIS as at each relevant Reset Date.
Initial Spread	To be determined by the Company prior to the launch of the Proposed Exchange Offer.

Step-Up Margin	0.20 per cent. per annum.
Distribution Payment Date(s)	Each date which falls the six (6) months after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).
Redemption at the Option of the Company	The Company may on irrevocable notice being given to the Perpetual Securityholders, redeem in whole, but not in part, the Perpetual Securities on the First Reset Date or any Distribution Payment Date thereafter.

Distribution Discretion under Condition 4(IV) of the Perpetual Securities

Optional Payment under Condition 4(IV)(a) of the Perpetual Securities

The Company may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the trustee of the Perpetual Securities (the “**Trustee**”) and the issuing and paying agent of the Perpetual Securities (the “**Issuing and Paying Agent**”) and the Perpetual Securityholders (in accordance with the notice provisions in Condition 14 of the Perpetual Securities) not more than 10 nor less than 5 business days prior to a scheduled Distribution Payment Date.

The Company may not elect to defer any distribution if during the 12 months ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Company’s Junior Obligations or, (except on a *pro rata* basis) any of the Company’s Parity Obligations; or
- (ii) any of the Company’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, (except on a *pro rata* basis) any of the Company’s Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, consultants or directors of the Group or (B) as a result of the exchange or conversion of Parity Obligations of the Company for Junior Obligations of the Company. For the avoidance of doubt, a Compulsory Distribution Payment Event shall not occur, and accordingly nothing in Condition 4(IV)(a) of the Perpetual Securities shall restrict the Company from electing to defer any distribution, merely as a result of any dividends, distributions or payments or other actions made by the Company in respect of obligations which are not the Company’s Junior Obligations or which are not the Company’s Parity Obligations.

No Obligation to Pay under Condition 4(IV)(b) of the Perpetual Securities

Subject to Condition 4(IV)(c) and Condition 4(IV)(d) of the Perpetual Securities, the Company shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Company in respect of the Perpetual Securities.

Cumulative Deferral under Condition 4(IV)(c) of the Perpetual Securities

Any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute “**Arrears of Distribution**”. The Company may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Company is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Restrictions in the case of Non-Payment under Condition 4(IV)(d) of the Perpetual Securities

If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Company shall not:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Company’s Junior Obligations or, (except on a *pro rata* basis) any of the Company’s Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Company’s Junior Obligations or, (except on a *pro rata* basis) any of the Company’s Parity Obligations,

in each case, other than (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, consultants or directors of the Group or (B) as a result of the exchange or conversion of Parity Obligations of the Company for Junior Obligations of the Company unless and until (I) the Company has satisfied in full all outstanding Arrears of Distribution or (II) the Company is permitted to do so by an extraordinary resolution of the Perpetual Securityholders.

Satisfaction of Arrears of Distribution under Condition 4(IV)(e) of the Perpetual Securities

The Company:

- (i) may, at its sole discretion, satisfy an Arrears of Distribution, (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with the notice provisions in Condition 14 of the Perpetual Securities) not more than 20 nor less than 10 business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Company to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in the terms and conditions of the Perpetual Securities;
 - (B) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) of the Perpetual Securities or the occurrence of a Compulsory Distribution Payment Event; and

- (C) the date such amount becomes due under Condition 9 of the Perpetual Securities or on a Winding-up of the Company.

Any partial payment of an Arrears of Distribution by the Company shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro rata* basis.

APPENDIX C

SAME INTERESTED PERSON TRANSACTIONS FROM 1 JANUARY 2023 UP TO THE LATEST PRACTICABLE DATE

Interested Person Transactions with the following interested persons for the current financial year commencing 1 January 2023 up to the Latest Practicable Date (“FY2023”):

- a) Aspial Lifestyle Limited (“**ALL**”, and together with its subsidiaries, the “**ALL Group**”), a company listed on the SGX-ST in which Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee have an interest of 30 per cent. or more;
- b) AF Global Limited (“**AFG**”, and together with its subsidiaries, the “**AFG Group**”), a company listed on the SGX-ST in which Mr Koh Wee Seng and Mr Koh Wee Meng have an interest of 30 per cent. or more;
- c) AL Capital (Ubi) Pte. Ltd. (“**ACU**”), a company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more;
- d) World Class Global Pte. Ltd. (“**WCG**”), a company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more;
- e) Niessing Asia Pacific Pte. Ltd. (“**NAP**”), a company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more;
- f) WCL (QLD) Margaret St Pty. Ltd. (“**WCL Margaret**”), a company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more;
- g) Kensington Village Pte. Ltd. (“**KV**”), a company in which Mr Koh Wee Seng and Mr Koh Wee Meng have an interest of 30 per cent. or more; and
- h) Dynamic Project Management Services Pte. Ltd. (“**DPMS**”), a company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more.

Name of Interested Person(s)	Details of Transaction	Aggregate Value of All Interested Person Transactions in FY2023 (Excluding Transactions Less Than \$100,000) (\$'000)
AFG Group	Corporate Charges from the Company	299
ALL Group	Corporate Charges to WCG, NAP and AFG Group	82
WCG	Lease of premises from ACU	330
AFG Group		101
ALL Group	Sale and purchase of jewellery	174
Koh Lee Hwee and her spouse	Cancellation of the sale and purchase agreement for the purchase of property unit of Australia 108 by the Purchaser	3,192
WCL Margaret	Interest costs to be incurred by the Group for the loan from WCL Margaret	255
KV	Provision of an interest free loan to a joint venture. KV is a 40:60 joint venture between World Class Land Pte. Ltd. (a 90 per cent. owned subsidiary of the Company) and Fragrance Group Limited	932
ACU	Manpower charges from DPMS	152
Total		5,517

ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197001030G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Aspial Corporation Limited (the “**Company**”) will be held at Aspial One, 55 Ubi Avenue 3, Level 1, Singapore 408864 on 16 October 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 29 September 2023 (the “**Circular**”).

Ordinary Resolution: The proposed allotment and issue of the Perpetual Securities as Interested Person Transactions under Rule 906 of the Listing Manual pursuant to the Proposed Exchange Offer.

RESOLVED THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company to enter into the Specific IPTs with the Interested Parties in accordance with the terms of the Proposed Exchange Offer; 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 such documents as may be required pursuant to the Specific IPTs 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 Specific IPTs.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary
29 September 2023
Singapore

Notes:

1. The members of the Company are invited to attend physically at the EGM. There will be no option for members to participate virtually. A printed copy of the Circular will not be sent to members but printed copies of this notice of EGM ("**Notice**") and the accompanying proxy form will be sent to members. The Circular, this Notice and the accompanying proxy form may also be accessed at the Company's website at the URL <https://www.aspial.com/investor-relations> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Members (including Central Provident Fund Investment Scheme investors ("**CPFIS Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) voting at the EGM:
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS Investors and SRS Investors may:

- (a) vote live at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have questions regarding their appointment as proxies; or
- (b) appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 4 October 2023, being seven (7) working days prior to the date of the EGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the EGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the EGM. We encourage members to mask up when attending the EGM.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Singapore Companies Act 1967.

5. A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. In the absence of specific directions, the Chairman of the EGM will vote or abstain as he/she may think fit, as he/she will on any other matter arising at the EGM.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

- (a) if submitted by post, be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) if submitted electronically, be submitted via email to the Company at the email: AspialEGM@aspial.com,

in either case, by 10.00 a.m. on 13 October 2023 (being not less than 72 hours before the time for holding the EGM).

A member who wishes to submit an instrument of proxy must first download (where necessary), complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

8. Submission of Questions in Advance.

Members may submit their questions in relation to the resolution of the EGM by:

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

All questions must be submitted within 7 calendar days from the date of this Notice, i.e. by 10.00 a.m on 7 October 2023.

The Company will endeavor to address questions which are substantial and relevant and received from members who are verifiable against the Depository Register or the Register of Members. The Company's responses to members' questions will be posted on the SGXNet not later than 48 hours before the closing date and time for the lodgement of the proxy forms, i.e. 10.00 a.m. on 11 October 2023. The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions (which are related to the resolution to be tabled for approval at the EGM) received after the 7 October 2023 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 month after the date of the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) 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**"), (ii) 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 (iii) 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.

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 (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such purpose.

ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197001030G)

PROXY FORM

IMPORTANT NOTICE FOR EXTRAORDINARY GENERAL MEETING (“EGM”)

1. A relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the EGM.
2. For CPFIS/SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes, at least seven (7) working days before the time appointed for the holding of the EGM (i.e. by 5.00 p.m. on 4 October 2023).
3. By submitting this proxy form the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 September 2023.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the member’s proxy(ies) to attend, speak and vote on his/her/its behalf at the EGM.

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

of _____ (Address)

being a member/members of Aspial Corporation Limited (the “Company”), hereby appoint the following person(s):

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			Number of Shares	%

*and/or

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			Number of Shares	%

or failing him/her, the Chairman of the EGM as *my/our *proxy/proxies 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 **Monday, 16 October 2023 at 10.00 a.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain from the ordinary resolution to be proposed at the EGM as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, *my/our *proxy/proxies will vote or abstain from voting at *his/their discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

**Delete where inapplicable*

ORDINARY RESOLUTION	Number of Votes		
	For	Against	Abstain
The proposed allotment and issue of the Perpetual Securities as Interested Person Transactions under Rule 906 of the Listing Manual pursuant to the Proposed Exchange Offer.			

Dated this _____ day of _____ 2023.

*Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder*

Shares in:	No. of Shares
(i) CDP Register	
(ii) Register of Members	
Total	

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. A member of the Company should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Singapore Securities and Futures Act 2001), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. A printed copy of this proxy form will be sent to members. This proxy form may also be accessed at the Company's corporate website at the URL <https://www.aspial.com/investor-relations/>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, in the absence of specific directions, the Chairman of the EGM will vote or abstain as he/she may think fit, as he/she will on any other matter arising at the EGM.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company at the email: AspialEGM@aspial.com,

in either case, by 10.00 a.m. on 13 October 2023 (being not less than 72 hours before the time appointed for holding the EGM).

A member who wishes to submit an instrument of proxy must first download (where necessary), complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which, the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
7. In the case of members of the Company whose shares are entered against their name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names 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 a proxy(ies) to attend, speak and vote at the EGM of the Company 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 29 September 2023.