

## CIRCULAR DATED 2 SEPTEMBER 2022

### 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 extraordinary general meeting of Aspial Corporation Limited (the “**EGM**”), notice of which is set out on pages N-1 to N-2 of this Circular, will be convened and held by way of electronic means on 26 September 2022 at 10.00 a.m. (Singapore time). Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions to the Chairman of the EGM in advance of the virtual information session (“**VIS**”) and the EGM; (c) having their questions addressed at the VIS to be held prior to the closing date and time for the lodgement of the proxy forms prior to the EGM; and/or (d) voting by appointing the Chairman of the EGM as proxy at the EGM.

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



### **ASPIAL CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 197001030G)

## **CIRCULAR TO SHAREHOLDERS**

**in relation to**

**THE PROPOSED SALE AND RE-ORGANISATION OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF (I) ASPIAL-LEE HWA JEWELLERY SINGAPORE PTE. LTD.; (II) GOLD PURPLE PTE. LTD. AND (III) BU2 SERVICES PTE. LTD. TO MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION**

*Independent Financial Adviser  
in respect of the Proposed Sale and Re-organisation  
as an interested person transaction*



### **NOVUS CORPORATE FINANCE PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201723484W)

### **IMPORTANT DATES AND TIMES**

Date and time of VIS	:	14 September 2022 at 2.00 p.m.
Last date and time for lodgement of Proxy Form	:	23 September 2022 at 10.00 a.m.
Date and time of EGM	:	26 September 2022 at 10.00 a.m.
Place of EGM	:	The EGM will be convened and held by way of electronic means

# CONTENTS

	PAGE
<b>DEFINITIONS .....</b>	1
 <b>LETTER TO SHAREHOLDERS</b>	
1. INTRODUCTION .....	5
2. INFORMATION RELATING TO ASPIAL, THE TARGET GROUP AND MAXI-CASH .....	5
3. PROPOSED SALE AND RE-ORGANISATION .....	10
4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SALE AND RE-ORGANISATION .....	13
5. ILLUSTRATIVE STRUCTURE CHARTS .....	14
6. INTERESTS OF ASPIAL IN MAXI-CASH SHARES .....	15
7. EXCESS IN SALES PROCEEDS AND USE OF PROCEEDS .....	15
8. PRO FORMA FINANCIAL EFFECTS IN RESPECT OF THE PROPOSED SALE AND RE-ORGANISATION .....	15
9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL ....	17
10. THE PROPOSED SALE AND RE-ORGANISATION AS AN INTERESTED PERSON TRANSACTION .....	18
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	21
12. OPINION AND ADVICE OF THE IFA .....	22
13. STATEMENT OF THE AUDIT COMMITTEE .....	25
14. NON-INTERESTED DIRECTORS' RECOMMENDATIONS .....	25
15. CONSENTS .....	26
16. EXTRAORDINARY GENERAL MEETING .....	26
17. ACTION TO BE TAKEN BY THE SHAREHOLDERS .....	26
18. DIRECTORS' RESPONSIBILITY STATEMENT .....	27
19. DOCUMENTS AVAILABLE FOR INSPECTION .....	27
 <b>APPENDIX A</b>	
Letter from the IFA.....	A-1
 <b>APPENDIX B</b>	
Valuation Summary Letter by BDO Advisory Pte. Ltd. ....	B-1
 <b>APPENDIX C</b>	
Illustrative Structure Charts .....	C-1
 <b>NOTICE OF EXTRAORDINARY GENERAL MEETING .....</b>	 N-1
 <b>PROXY FORM.....</b>	 P-1

## DEFINITIONS

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

<b>“1H2022”</b>	: The six-month financial period ended 30 June 2022
<b>“Act” or “Companies Act”</b>	: The Companies Act 1967 of Singapore, as amended or modified from time to time
<b>“Adjustment Event”</b>	: Has the meaning ascribed to it in paragraph 3.1.3 of the Letter to Shareholders in this Circular
<b>“Announcement Date”</b>	: 7 July 2022, being the date of the announcement by Aspial of the Proposed Sale and Re-organisation
<b>“Aspial”</b>	: Aspial Corporation Limited
<b>“Aspial Group”</b>	: Aspial, its subsidiaries and associated companies
<b>“Aspial Shares”</b>	: Ordinary shares in the capital of Aspial
<b>“Audit Committee”</b>	: The audit committee of Aspial as at the Latest Practicable Date, comprising Mr Wong Soon Yum, Mr Kau Jee Chu, Ms Ng Bie Tjin @ Djuniarti Intan and Ms Ko Lee Meng
<b>“Base Consideration”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i) of the Letter to Shareholders in this Circular
<b>“Base Consideration Cash Amount”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(I) of the Letter to Shareholders in this Circular
<b>“Base Consideration Shares”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(II) of the Letter to Shareholders in this Circular
<b>“BDO”</b>	: BDO Advisory Pte. Ltd., being Aspial's Valuer
<b>“Board”</b>	: The board of directors of Aspial
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Closing”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i) of the Letter to Shareholders in this Circular
<b>“Closing Base Consideration Cash Amount”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(I)(C) of the Letter to Shareholders in this Circular
<b>“Closing Date”</b>	: Has the meaning ascribed to it in paragraph 3.3.1 of the Letter to Shareholders in this Circular
<b>“Consideration”</b>	: Has the meaning ascribed to it in paragraph 3.1.1 of the Letter to Shareholders in this Circular
<b>“Consideration Share Amount”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(II) of the Letter to Shareholders in this Circular
<b>“Consideration Shares”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(ii)(II) of the Letter to Shareholders in this Circular

<b>“Cut-off Date”</b>	: Means 31 December 2022 or such other date as may be agreed in writing between Maxi-Cash and Aspial, pursuant to the SPA
<b>“DCF”</b>	: Has the meaning ascribed to it in paragraph 2.2.3(ii)(II) of the Letter to Shareholders in this Circular
<b>“Deferred Base Consideration Cash Amount”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(I)(B) of the Letter to Shareholders in this Circular
<b>“Directors”</b>	: The directors of Aspial as at the Latest Practicable Date
<b>“Earn-out Consideration”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(ii) of the Letter to Shareholders in this Circular
<b>“Earn-out Consideration Cash Amount”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(ii)(I) of the Letter to Shareholders in this Circular
<b>“Earn-out Consideration Shares”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(ii)(II) of the Letter to Shareholders in this Circular
<b>“EGM”</b>	: The extraordinary general meeting of Aspial to be held by way of electronic means at 10.00 a.m. on 26 September 2022, notice of which is set out on pages N-1 to N-2 of this Circular
<b>“EPS”</b>	: Earnings per share
<b>“entity at risk”</b>	: Has the meaning ascribed to it in the Listing Manual
<b>“FY2021”</b>	: The financial year ended 31 December 2021
<b>“FY2022”</b>	: The financial year ending 31 December 2022
<b>“FY2022 NPAT”</b>	: Has the meaning ascribed to it in paragraph 3.1.4 of the Letter to Shareholders in this Circular
<b>“IFA” or “NCF”</b>	: Novus Corporate Finance Pte. Ltd., being the independent financial adviser in respect of the Proposed Sale and Re-organisation as an interested person transaction
<b>“IFA Letter”</b>	: The letter dated 2 September 2022 from the IFA set out in Appendix A to this Circular
<b>“Interested Person” or “interested person”</b>	: Has the meaning ascribed to it in the Listing Manual
<b>“Interested Person Transaction”</b>	: Has the meaning ascribed to it in the Listing Manual
<b>“Issue Price”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(II) of the Letter to Shareholders in this Circular
<b>“Koh Siblings”</b>	: Has the meaning ascribed to it in paragraph 10.1 of the Letter to Shareholders in this Circular
<b>“Latest Practicable Date”</b>	: The latest practicable date prior to the despatch of this Circular, being 26 August 2022
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, as amended or modified from time to time

<b>“Management”</b>	: Has the meaning ascribed to it in paragraph 2.2.3(ii)(III)(B) of the Letter to Shareholders in this Circular
<b>“Maxi-Cash”</b>	: Maxi-Cash Financial Services Corporation Ltd.
<b>“Maxi-Cash Group”</b>	: Has the meaning ascribed to it in paragraph 2.3.1 of the Letter to Shareholders in this Circular
<b>“Maxi-Cash Shares”</b>	: Has the meaning ascribed to it in paragraph 2.3.2 of the Letter to Shareholders in this Circular
<b>“MLHS”</b>	: MLHS Holdings Pte. Ltd.
<b>“Non-Interested Directors”</b>	: Has the meaning ascribed to it in paragraph 14 of the Letter to Shareholders in this Circular
<b>“Notice”</b>	: The notice of the EGM dated 2 September 2022 set out on pages N-1 to N-2 of this Circular
<b>“NTA”</b>	: Net tangible assets
<b>“Outstanding Debt”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(I)(A) of the Letter to Shareholders in this Circular
<b>“Parties”</b>	: Maxi-Cash and Aspial collectively
<b>“Proposed Sale and Re-organisation”</b>	: Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
<b>“Proxy Form”</b>	: The proxy form attached to the Notice
<b>“Register”</b>	: The register of holders of Aspial Shares, as maintained by the Registrar
<b>“Relative Figures”</b>	: Has the meaning ascribed to it in paragraph 9 of the Letter to Shareholders in this Circular
<b>“Relevant Date”</b>	: Has the meaning ascribed to it in paragraph 3.1.1(i)(I)(B) of the Letter to Shareholders in this Circular
<b>“Registrar”</b>	: B.A.C.S. Private Limited
<b>“RSM”</b>	: RSM Corporate Advisory Pte. Ltd., being Maxi-Cash’s Valuer
<b>“Sale Shares”</b>	: Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Holders of Aspial Shares as indicated on the Register and Depositors who have Aspial Shares entered against their names in the Depository Register
<b>“SPA”</b>	: Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular
<b>“Special Audit”</b>	: Has the meaning ascribed to it in paragraph 3.1.4 of the Letter to Shareholders in this Circular

<b>“Target Group”</b>	: Has the meaning ascribed to it in paragraph 2.2.1 of the Letter to Shareholders in this Circular
<b>“Substantial Shareholder”</b>	: A person who, in accordance with the Act, has an interest (directly or indirectly) in not less than five per cent. of the issued voting Aspiat Shares (excluding treasury shares and subsidiary holdings)
<b>“Valuation Report”</b>	: The valuation report on the Target Group prepared by BDO
<b>“Valuation Summary Letter”</b>	: The summary letter of the Valuation Report set out in Appendix B to this Circular
<b>“Valuers”</b>	: Has the meaning ascribed to it in paragraph 2.2.3(iii) of the Letter to Shareholders in this Circular
<b>“VIS”</b>	: The virtual information session of Aspiat to be held by way of electronic means at 2.00 p.m. on 14 September 2022
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
<b>“%” or “per cent.”</b>	: 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 Aspiat is 2,166,194,245 Aspiat Shares (excluding treasury shares and subsidiary holdings) 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.

# LETTER TO SHAREHOLDERS

## 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*)  
Mr Kau Jee Chu (*Independent Non-Executive Director*)  
Ms Ng Bie Tjin @ Djuniarti Intan (*Independent Non-Executive Director*)

### Registered Office:

77 Robinson Road,  
#06-03, Robinson 77,  
Singapore 068896

2 September 2022

To: The Shareholders of Aspial Corporation Limited

Dear Sir/Madam

### 1. INTRODUCTION

- 1.1 Background.** On 7 July 2022, Aspial Corporation Limited ("**Aspial**") announced that it had entered into a sale and purchase agreement (the "**SPA**") with its subsidiary, Maxi-Cash Financial Services Corporation Ltd. ("**Maxi-Cash**"), pursuant to which Aspial had agreed to sell and procure the sale of, and Maxi-Cash had agreed to acquire, all the issued ordinary shares (the "**Sale Shares**") in the capital of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd., which are wholly-owned subsidiaries of Aspial, on the terms and subject to the conditions of the SPA (the "**Proposed Sale and Re-organisation**").
- 1.2 EGM.** The Directors are convening an EGM to seek the independent Shareholders' approval for the Proposed Sale and Re-organisation, set out in the Notice on pages N-1 to N-2 of this Circular.
- 1.3 Circular.** The purpose of this Circular is to provide Shareholders with information relating to, and to seek the independent Shareholders' approval for, the Proposed Sale and Re-organisation. 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.
- 1.4 Legal Adviser.** Allen & Gledhill LLP is the legal adviser to Aspial in relation to the Proposed Sale and Re-organisation.

### 2. INFORMATION RELATING TO ASPIAL, THE TARGET GROUP AND MAXI-CASH

#### 2.1 Information relating to Aspial

Aspial is a company incorporated in Singapore on 12 November 1970 and was listed on the Mainboard of the SGX-ST on 21 June 1999. Aspial is an investment holding company that is principally engaged in a diversified portfolio of businesses including real estate, financial services, jewellery and other investments (including the hospitality business through its associate, AF Global Limited).

#### 2.2 Information relating to the Target Group

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

- (i) **Aspial-Lee Hwa Jewellery Singapore Pte. Ltd..** Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. is a company incorporated in Singapore on 25 March 2000. It has an issued and paid-up share capital of S\$45,000,000 comprising 45,000,000 ordinary shares and its sole shareholder is Aspial;



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

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

### 2.2.3 Financial information on the Proposed Sale and Re-organisation.

- (i) **Key financial information.** The key financial information of the Target Group based on the combined unaudited management accounts are set out below:

	1H2022 or as at 30 June 2022 (S\$ million)	FY2021 or as at 31 December 2021 (S\$ million)	FY2020 or as at 31 December 2020 (S\$ million)	FY2019 or as at 31 December 2019 (S\$ million)
Revenue	60.7	106.9	67.8	87.4
Profit/(Loss) before tax	7.8	14.3	3.2	(0.5)
Net Profits/(Loss) after tax	6.5	12.5	3.1	(0.9)
Book value	48.4	65.6	53.0	39.9
NTA	44.7	61.8	48.3	35.2
Non-current assets	42.6	46.6	45.6	67.8
Current assets	84.6	100.8	82.0	74.3
Total assets	127.2	147.4	127.6	142.1
Non-current liabilities	23.7	29.3	29.7	37.7
Current liabilities	55.1	52.5	44.9	64.5
Net assets	48.4	65.6	53.0	39.9

Based on the combined unaudited management accounts of the Target Group for FY2021 and 1H2022, there are no contingent liabilities under the Target Group for FY2021 and 1H2022.



- (ii) **Independent Valuation conducted by Aspial.** In connection with the Proposed Sale and Re-organisation, Aspial has appointed BDO to conduct an independent valuation of the Target Group, including estimating the market value of the Sale Shares, as at 31 March 2022.
- (I) **Market Value of the Sale Shares.** Based on the Valuation Summary Letter prepared by BDO, the market value of the Sale Shares as at 31 March 2022 ranges from S\$87.0 million to S\$99.5 million. The Consideration (as defined below) therefore represents approximately a 0.3 per cent. and 14.7 per cent. premium to the lower and upper valuation ranges respectively of the Target Group.
- (II) **Basis of the Valuation.** The basis of the valuation is market value which is defined in the International Valuation Standards 2020 as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the Parties had each acted knowledgeably, prudently and without compulsion”*. The valuation of the Target Group was arrived at primarily based on the income approach using the discounted cash flow (“**DCF**”) method. The valuation was conducted in accordance with the International Valuation Standards published by the International Valuation Standards Council. The market approach using the enterprise value to earnings before interest, taxes, depreciation and amortisation multiples of comparable companies was applied as a secondary approach to cross-check the value range derived by the DCF method.
- (III) **Key Assumptions.** The key assumptions made in the valuation include:
- (A) Applying the discount rate of 11.8% and the terminal growth rate of 1.5% to value the Target Group using the DCF method. The equity value range of the Target Group from the lower end to the upper end is derived by sensitivity analysis through varying the discount rate of 11.8% and the terminal growth rate of 1.5% by +/- 0.5%;
- (B) The Target Group is operating on a going concern basis and will continue to have sufficient capital to support future expenditure and working capital and the capability to achieve the financial forecast as projected by the management of Aspial (“**Management**”);
- (C) The future operations of the Target Group will not be adversely affected by changes to its key personnel, management team and shareholdings;
- (D) The financial information provided to BDO are accurate and complete;
- (E) The reliability of Management’s assumptions underlying the financial forecasts, including but not limited to the projected revenue and profitability relating to the Target Group, which are assumed to be achievable. BDO notes that if the actual financial performance of the Target Group is significantly different from the forecasts, the valuation might be significantly different;
- (F) Related party transactions, if any, are carried out on normal commercial terms and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure;
- (G) All the relevant regulatory approvals, service-related agreements, licenses, permits, certificates and documents required for the ownership and operations of the Target Group have been obtained;

- (H) There are no significant changes in the types of products and services being provided in the forecast period that will materially affect the forecasted performance of the Target Group;
- (I) There will be no significant changes in the economic and political environment, which may significantly alter the financial performance and position of the Target Group;
- (J) There are no material contingent liabilities, guarantees, capital commitments or litigation involving the Target Group as at the Valuation Date; and
- (K) Management represented that the FY2020 financial performance as shown in the Valuation Report has been impacted by COVID-19. Many businesses, in particular retail businesses, were affected by circuit breaker measures in Singapore, resulting in temporary business closures and reduced business activity. As a result, the Target Group's revenue and profitability have been affected. Management has considered the COVID-19 impact in preparing the financial forecasts of the Target Group. As such, BDO's valuation has been premised upon Management's expectations of an economic recovery and subsequent expected growth. Should these assumptions not materialise, and if the actual results achieved during the forecast period vary from these forecasts, the valuation could be significantly different.

Further details of the Valuation Summary Letter issued by BDO are set out in Appendix B to this Circular.

**Shareholders are advised to read and consider the Valuation Summary Letter issued by BDO in respect of the independent valuation on the Target Group carefully, in particular the terms of reference, valuation approach, methodology and conclusion of value.**

- (iii) **Independent Valuation conducted by Maxi-Cash.** In connection with the Proposed Sale and Re-organisation, Maxi-Cash has appointed RSM Corporate Advisory Pte. Ltd. (and together with BDO, the "**Valuers**" and each, a "**Valuer**") to conduct an independent valuation of the Target Group, including estimating the market value of the Sale Shares, as at 31 March 2022.
  - (I) **Market Value of the Sale Shares.** Based on the valuation report prepared by RSM, the market value of the Sale Shares as at 31 March 2022 ranges from S\$98.4 million to S\$115.6 million. The Consideration (as defined below) therefore represents approximately a 1.4 per cent. premium and a 13.7 per cent. discount to the lower and upper valuation ranges respectively of the Target Group conducted by Maxi-Cash.
  - (II) **Basis of the Valuation.** The basis of the valuation is market value which is defined in the International Valuation Standards as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the Parties had each acted knowledgeably, prudently and without compulsion*". The valuation of the Target Group was arrived at primarily based on (a) an estimate of the market value range of Gold Purple Pte. Ltd., BU2 Services Pte. Ltd., Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Aspial-Lee Hwa Jewellery Pte. Ltd. and Goldheart Jewelry Pte. Ltd. using the income approach, where the market approach was also applied as a cross-check to the value derived using the income approach; and (b) the net asset value approach to estimate the market value of 50 per cent. of Aspial Capital (Ubi) Pte. Ltd..

## 2.3 Information relating to Maxi-Cash

**2.3.1** Maxi-Cash is a public company incorporated in Singapore on 10 April 2008 and has been listed on the Catalist Board of the SGX-ST since 22 June 2012. Maxi-Cash, its subsidiaries and associated companies (collectively, the **“Maxi-Cash Group”**) are engaged in the following business segments:

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

**2.3.2** Maxi-Cash is a subsidiary of Aspial. As at the Latest Practicable Date, Aspial has a direct interest in 664,162,569 issued ordinary shares in the capital of Maxi-Cash (the **“Maxi-Cash Shares”**), representing approximately 62.30 per cent. of the total issued Maxi-Cash Shares. As at the Latest Practicable Date, the directors of Maxi-Cash are:

- (i) Mr Koh Wee Seng;
- (ii) Ms Koh Lee Hwee;
- (iii) Ms Ko Lee Meng;
- (iv) Mr Tan Keh Yan, Peter;
- (v) Mr Lee Sai Sing;
- (vi) Ms Goh Bee Leong;
- (vii) Mr Tan Soo Kiang; and
- (viii) Mr Ng Kean Seen.

Mr Ng Kean Seen, Executive Director and Chief Executive Officer of Maxi-Cash, is part of the management team of Maxi-Cash which provides management services to the Target Group. Save for (i) the above, (ii) interests (including deemed interests) in the securities of Maxi-Cash held by MLHS (a Substantial Shareholder of each of Aspial and Maxi-Cash), Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng (each, a Director and Substantial Shareholder of Aspial and Maxi-Cash), and save as (iii) disclosed in the Circular and in the SGXNet announcements of the Company, there are no other connections (including business relationships) between Aspial, its Directors and its Substantial Shareholders with Maxi-Cash, its directors and its Substantial Shareholders.

### 3. PROPOSED SALE AND RE-ORGANISATION

#### 3.1 Consideration for the Proposed Sale and Re-organisation

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

- (i) S\$87.8 million (the “**Base Consideration**”), payable on completion of the sale and purchase of the Sale Shares pursuant to the SPA (“**Closing**”), which shall be satisfied by:
  - (I) the payment of an amount of S\$37.0 million (the “**Base Consideration Cash Amount**”) comprising:
    - (A) the settlement by Maxi-Cash of the debt<sup>1</sup> of an amount not exceeding S\$22.0 million owing from Aspial to the Target Group (the “**Outstanding Debt**”) which shall be offset against an equivalent portion of the Base Consideration Cash Amount;
    - (B) S\$7.5 million in cash (the “**Deferred Base Consideration Cash Amount**”) to be paid by Maxi-Cash to Aspial on the date falling three months after the Closing Date<sup>2</sup> (the “**Relevant Date**”); and
    - (C) a remaining amount in cash (the “**Closing Base Consideration Cash Amount**”) equivalent to the Base Consideration Cash Amount LESS the aggregate of (i) the Outstanding Debt; and (ii) the Deferred Base Consideration Cash Amount to be paid by Maxi-Cash to Aspial on Closing. For illustrative purposes, the Closing Base Consideration Cash Amount will amount to S\$7.5 million<sup>3</sup> if the Outstanding Debt amounts to S\$22.0 million at Closing; and
  - (II) an amount of S\$50.8 million (the “**Consideration Share Amount**”) which shall be satisfied by the allotment and issuance of 311,656,441 new ordinary shares in the capital of Maxi-Cash (the “**Base Consideration Shares**”) to Aspial at an issue price of S\$0.163 (the “**Issue Price**”) for each Base Consideration Share. The Issue Price is based on the volume-weighted average price of the Maxi-Cash Shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the Maxi-Cash Shares were recorded<sup>4</sup>; and
- (ii) up to S\$12.0 million (the “**Earn-out Consideration**”), which shall be satisfied by:
  - (I) S\$6.0 million in cash (the “**Earn-out Consideration Cash Amount**”); and
  - (II) an amount of S\$6.0 million which shall be satisfied by the allotment and issuance of 36,809,815 new ordinary shares in the capital of Maxi-Cash (the “**Earn-out Consideration Shares**”, and together with the Base Consideration Shares, the “**Consideration Shares**”) to be issued to Aspial at the Issue Price<sup>5</sup> for each Earn-out Consideration Share.

<sup>1</sup> As at the Latest Practicable Date, the total debt owing from Aspial to the Target Group is approximately S\$21.6 million.

<sup>2</sup> Unless such payment is being further deferred as described in paragraph 3.1.2 of the Letter to Shareholders in this Circular.

<sup>3</sup> Being S\$37.0 million LESS (i) S\$22.0 million (being the Outstanding Debt); and (ii) S\$7.5 million (being the Deferred Base Consideration Cash Amount).

<sup>4</sup> The Issue Price represents a 1.2 per cent. discount to the volume-weighted average price of the Maxi-Cash Shares of S\$0.165 for the one-month period prior to the date of the SPA and is equivalent to the last traded price of the Maxi-Cash Shares of S\$0.163 on the Latest Practicable Date.

<sup>5</sup> For the avoidance of doubt, the Issue Price is based on the volume-weighted average price of Maxi-Cash Shares for a period of five (5) trading days prior to the date of the SPA on which transactions in Maxi-Cash Shares were recorded.

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

**3.1.3 Adjustments to Base Consideration Shares and Earn-out Consideration Shares.** If a variation in the ordinary share capital of Maxi-Cash shall take place (including by way of, *inter alia*, consolidation, subdivision or reclassification of shares, capitalisation issues, rights, warrants or other convertibles issues and certain capital distributions (each, an “**Adjustment Event**”)) between the date of the SPA and the date the Earn-out Consideration Shares (if any) are issued pursuant to the terms of the SPA, the Parties agree that there shall be an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, to be issued to Aspial as described in paragraph 3.1.1 of the Letter to Shareholders in this Circular above, so as to prevent a dilution of the percentage shareholding held by Aspial in Maxi-Cash. Notwithstanding the above, where an Adjustment Event occurs which does not result in a pro rata dilution of the percentage shareholding held by Aspial in Maxi-Cash, the Parties may (acting reasonably) mutually agree to an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, that the Parties determine to be fair and reasonable to take into account such Adjustment Event had it occurred prior to the date of the SPA, in particular, if the Adjustment Event would have resulted in a reduction in the Issue Price. For the avoidance of doubt, any such adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, shall be made in such a way that Aspial will not receive a benefit that a shareholder of Maxi-Cash does not receive.

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

- (i) at least S\$10.0 million<sup>6</sup>, Maxi-Cash shall make payment of the entire Earn-out Consideration to Aspial;
- (ii) less than S\$10.0 million, Maxi-Cash shall make a pro rata payment of the Earn-out Consideration to Aspial in accordance with the formulae set out as follows:

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

The Earn-out Consideration (or such proportion thereof) shall be paid by Maxi-Cash to Aspial within 30 days of the completion of a special purpose audit of the Target Group to be undertaken for the purposes of determining the FY2022 NPAT (the “**Special Audit**”), or such longer period, up to a maximum of six (6) months after such Special Audit is completed.

<sup>6</sup> This amount of S\$10.0 million was arrived at after Aspial had considered (i) the historical financial performance of the Target Group (see paragraph 2.2.3(i) of the Letter to Shareholders in this Circular for the key financial information of the Target Group) and (ii) future growth prospects of the Target Group.

**3.1.5 Basis of Consideration.** The Consideration was arrived at on a “willing-buyer willing-seller” basis, taking into account, *inter alia*, (i) the historical financial performance of the Target Group, (ii) the Target Group’s business prospects, (iii) the average of the indicative market values of the Sale Shares based on the preliminary valuations conducted by the Valuers, and (iv) the proposed terms and formulae of the Consideration. In relation to (iii), notwithstanding that the Consideration was arrived at based on preliminary valuations conducted by the Valuers, Aspial and Maxi-Cash had considered the final valuations by the Valuers (as set out in the Valuation Report and the Valuation Summary Letter) and determined that no changes were required to be made to the Consideration.

## **3.2 Conditions Precedent**

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

- 3.2.1** all consents, approvals and authorisations of Governmental Authorities (as defined in the SPA) and any counterparties to the contracts entered into by the Aspial Group, the Target Group or the Maxi-Cash Group which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained, and if such consents, approvals and authorisations are subject to conditions, such conditions being acceptable to both Aspial and Maxi-Cash (acting reasonably and in good faith);
- 3.2.2** approval by the independent Shareholders of the sale of the Sale Shares on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual);
- 3.2.3** no event having occurred which has a material adverse effect on the turnover, profitability, financial or trading position or prospects of the Target Group as a whole, not being an event affecting or likely to affect generally all companies carrying on similar businesses;
- 3.2.4** no notice of termination having been received by any Target Group Company (as defined in the SPA) in connection with any material contract, lease, licence or other similar commercial arrangement to which the Target Group Company is a party, as identified by the Target Group and agreed in writing by Maxi-Cash, and none of such material contracts, leases, licences or commercial arrangements being adversely affected to a material extent, as a result of the entry by Aspial into the SPA and/or the transactions contemplated under the SPA;
- 3.2.5** the net asset value of the Target Group as derived from the combined unaudited management accounts of the Target Group for the most recent completed quarter prior to Closing not being less than S\$40.0 million;
- 3.2.6** the Seller’s Warranties (as defined in the SPA) being and remaining true, accurate and not misleading in all material respects as at the date of the SPA and as at the Closing Date;
- 3.2.7** no injunction, interim or otherwise, having been granted in respect of Aspial, any Target Group Company or Maxi-Cash, and no laws having been enacted or proposed, which would prohibit or restrict (i) Aspial or Maxi-Cash from entering into or performing their obligations under the SPA; and/or (ii) the implementation of the transactions contemplated by the SPA;
- 3.2.8** approval by the independent shareholders of Maxi-Cash of the acquisition of the Sale Shares and the allotment and issuance of the Consideration Shares to Aspial on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual); and
- 3.2.9** receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for all the Consideration Shares on the SGX-ST, on conditions (if any) reasonably acceptable to both Aspial and Maxi-Cash and such notice not being revoked or amended, and any such conditions which are required to be fulfilled on or before the Closing Date being fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST.



### **3.3 Closing Date and Cut-off Date**

**3.3.1** Closing will take place on the date falling five (5) business days after the date of satisfaction or waiver of the last of the conditions in the SPA, or such other date as may be agreed by Aspial and Maxi-Cash in writing (the “**Closing Date**”).

**3.3.2** If any of the conditions precedent in the SPA are not satisfied or waived on or before 31 December 2022 or such other date as may be agreed in writing between Maxi-Cash and Aspial, Aspial or Maxi-Cash may, in its absolute discretion, terminate the SPA (other than certain provisions specified to survive the termination of the SPA) and neither Aspial nor Maxi-Cash shall have any claim against the other under the SPA, save for any claim arising from antecedent breaches of the SPA.

### **3.4 Grounds of Termination**

**3.4.1** The SPA may be terminated at any time prior to Closing:

- (i) by the mutual written consent of the Parties; or
- (ii) by Maxi-Cash or Aspial (as the case may be):
  - (I) should Maxi-Cash or Aspial (as the case may be) fail to satisfy or waive any of the condition precedents set out in the SPA before the Cut-off Date; or
  - (II) should Maxi-Cash or Aspial (as the case may be) fail to comply with any material closing obligations prior to Closing.

**3.4.2** Upon the termination of the SPA, each of the Parties shall not have any claim against the other under the SPA, except for any claim arising from any breaches by the other Party of:

- (i) the SPA on or prior to such termination; or
- (ii) the surviving provisions under the SPA after such termination.

## **4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SALE AND RE-ORGANISATION**

**4.1** Aspial’s overarching intention and objective is to streamline its investments, businesses, operations, and the corporate structure of the Aspial Group.

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

**4.2.1** The Proposed Sale and Re-organisation will allow Aspial (through the enlarged Maxi-Cash Group) to create and benefit from group-wide synergies and cost savings in areas of organisational structure, systems, processes and knowledge transfer across various business and support functions in the Maxi-Cash Group, including, but not limited to, marketing, merchandising, operations, information technology, finance and human resources.

**4.2.2** With the enlarged scale, Aspial (through the enlarged Maxi-Cash Group) will be able to benefit from an improved relative bargaining position when dealing with business partners, suppliers, vendors and lenders.



**4.2.3** The enlarged scale of the business and operations will enable Aspial (through the Maxi-Cash Group) to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities. This will allow Aspial (through the Maxi-Cash Group) to attract, train and retain talent, which in turn will drive long-term growth of the Aspial Group (including the Maxi-Cash Group).

**4.2.4** The enlarged Maxi-Cash Group will be able to significantly increase its retail presence in Singapore, with the addition of the Target Group's 25 retail outlets<sup>7</sup> islandwide in Singapore.<sup>8</sup>

**4.2.5** The Proposed Sale and Re-organisation will also help minimise any potential and/or existing conflicts of interests between the Maxi-Cash Group and the Target Group, and any transactions entered into between the Maxi-Cash Group and the Target Group will no longer be considered as interested person transactions<sup>9</sup>. Accordingly, this will provide Aspial (through the enlarged Maxi-Cash Group) with greater control and flexibility to mobilise and optimise its resources across its businesses so as to facilitate greater business collaborations, and to reduce both the Maxi-Cash Group's and Aspial's compliance costs and expenses.

**4.3** After the Proposed Sale and Re-organisation, Maxi-Cash will remain at least a 71.59 per cent.<sup>10</sup> - owned subsidiary<sup>11</sup> of Aspial and its financial results will continue to be consolidated to the Aspial Group's financials. Therefore, the Aspial Group and its shareholders will be able to continue to participate in the growth prospects of the Maxi-Cash Group, thereby enhancing shareholders' value.

**4.4** Upon completion of the Proposed Sale and Re-organisation, Aspial will continue to be principally engaged in its diversified portfolio of businesses including local retail jewellery (through the management of Maxi-Cash)<sup>12</sup>, real estate, financial services, and other investments (including the hospitality business through its associate, AF Global Limited). Further, given that the completion of the Proposed Sale and Re-organisation is expected to result in Aspial increasing its equity interest in Maxi-Cash, the Board is of the view that the Proposed Sale and Re-organisation will be in the best interests of the Aspial Group and the Shareholders.

## **5. ILLUSTRATIVE STRUCTURE CHARTS**

The illustrative structure charts set out in Appendix C to this Circular show the structure of the Aspial Group as of the date of this Circular and immediately upon the completion of the Proposed Sale and Re-organisation.

---

<sup>7</sup> As at the Latest Practicable Date.

<sup>8</sup> For the avoidance of doubt, immediately post-Closing of the Proposed Sale and Re-organisation, the Target Group's retail presence will come under the Maxi-Cash Group and there will be no overall increase in the Aspial Group's retail presence.

<sup>9</sup> Such interested person transactions between the Maxi-Cash Group and the Target Group include, *inter alia*, (i) the purchase of finished goods, (ii) procurement of services in connection with the jewellery business including the certification of jewellery and procurement of price tags, dismantling charges and jewellery repair, (iii) sale of loose diamonds, (iv) providing management support services and (v) lease of premises from Aspial Capital (Ubi) Pte. Ltd..

<sup>10</sup> The figures are computed based on the issued and paid-up share capital of 1,414,509,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date; (b) 311,656,441 Base Consideration Shares; and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

<sup>11</sup> Based on the total Consideration (assuming the Earn-out Consideration is paid in full).

<sup>12</sup> Aspial's jewellery business currently comprises its (a) local jewellery business segment comprising the "Lee Hwa" and "Goldheart" brands which are only sold in Singapore and (b) overseas jewellery business segment comprising the "Niessing" brand, an internationally-renowned German jewellery house which is sold internationally through the "Niessing" group's global retail network located in Germany, Switzerland, Hong Kong, Japan, Australia and Singapore. After the Proposed Sale and Re-organisation, and as set out in the illustrative structure charts in Appendix C to this Circular, Aspial will continue to hold the "Niessing" brand, under its overseas jewellery business segment, but will be principally engaged in the local jewellery business through Maxi-Cash such that the local retail jewellery business of Aspial will be consolidated under the management of Maxi-Cash. The management and operations of Niessing, including the manufacturing, conceptualising, designing and branding, are based in Germany and are separate from that of the Target Group.

## 6. INTERESTS OF ASPIAL IN MAXI-CASH SHARES

- 6.1 The interests of Aspiat in Maxi-Cash Shares as at the Latest Practicable Date, assuming the Proposed Sale and Re-organisation is completed and the Earn-out Consideration is paid in full is as follows:

	As at the Latest Practicable Date		Immediately following the completion of the Proposed Sale and Re-organisation		Immediately following the payment of the Earn-out Consideration	
	Number of Maxi-Cash Shares	% <sup>(1)</sup>	Number of Maxi-Cash Shares	% <sup>(2)</sup>	Number of Maxi-Cash Shares	% <sup>(3)</sup>
Aspiat	664,162,569	62.30	975,819,010	70.83	1,012,628,825	71.59

**Notes:**

- (1) The figures are computed based on the issued and paid-up share capital of 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The figures are computed based on the issued and paid-up share capital of 1,377,699,675 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date; and (b) 311,656,441 Base Consideration Shares.
- (3) The figures are computed based on the issued and paid-up share capital of 1,414,509,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date; (b) 311,656,441 Base Consideration Shares; and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

## 7. EXCESS IN SALES PROCEEDS AND USE OF PROCEEDS

Aspiat intends to utilise the proceeds of the Proposed Sale and Re-organisation for general working capital purposes. The total Consideration represents an excess of (a) approximately S\$34.2 million over the book value of the Target Group, based on the combined unaudited management accounts of the Target Group for FY2021; and (b) approximately S\$51.4 million over the book value of the Target Group, based on the combined unaudited management accounts of the Target Group for 1H2022.

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

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

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

Such unaudited pro forma financial effects for the Proposed Sale and Re-organisation have been prepared based on the audited consolidated financial statements of the Aspiat Group for FY2021, being the most recently completed financial year for which financial statements are publicly available as at the Latest Practicable Date, as well as the following bases and assumptions:

- 8.1.1 the terms of the Proposed Sale and Re-organisation as at the Latest Practicable Date;

- 8.1.2** all references to the issued share capital of Aspial exclude issued and paid-up ordinary shares held by Aspial as treasury shares and subsidiary holdings;
- 8.1.3** the expenses incurred for the Proposed Sale and Re-organisation are assumed to be insignificant and have been ignored for the purposes of computing the financial effects;
- 8.1.4** the financial effects on the consolidated NTA per Aspial Share are computed based on the assumption that the Proposed Sale and Re-organisation had been completed on 31 December 2021, being the end of FY2021; and
- 8.1.5** the financial effects on the consolidated EPS are computed based on the assumption that the Proposed Sale and Re-organisation had been completed on 1 January 2021, being the beginning of FY2021.

## 8.2 Net Tangible Assets per Aspial Share

The effect of the Proposed Sale and Re-organisation on the NTA per Aspial Share as at 31 December 2021, assuming that the Proposed Sale and Re-organisation had been completed on 31 December 2021 is as follows:

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

### Notes:

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

## 8.3 Earnings per Aspial Share

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

<b>FY2021</b>	<b>Before the Proposed Sale and Re-organisation</b>	<b>After the Proposed Sale and Re-organisation<sup>(1)</sup></b>
Net profit after tax	2,655,000 <sup>(2)</sup>	2,655,000 <sup>(2)</sup>
Loss after tax attributable to the owners of Aspial (S\$)	(363,000)	(2,401,000)
<b>Loss per Aspial Share<sup>(3)</sup> (in cents)</b>	<b>(0.02)</b>	<b>(0.12)</b>

### Notes:

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

- (2) The Aspial Group's net profit after tax for FY2021 before the Proposed Sale and Re-organisation was S\$2,655,000. Assuming that the Proposed Sale and Re-organisation had been completed on 1 January 2021, the pro forma net profit after tax of the Aspial Group in FY2021 would remain at S\$2,655,000 as Aspial will continue to consolidate the financial results of the Maxi-Cash Group upon the completion of the Proposed Sale and Re-organisation since Maxi-Cash will continue to remain as a subsidiary of the Aspial Group.
- (3) Based on the loss after tax attributable to the owners of Aspial and the weighted average number of 2,032,095,354 Aspial Shares for FY2021.

As detailed in paragraph 7 of the Letter to Shareholders in this Circular, there is no gain or loss on disposal to the Aspial Group pursuant to the Proposed Sale and Re-organisation as any such gain or loss pursuant to the Proposed Sale and Re-organisation of the Target Group will be eliminated as inter-company adjustments for the Aspial Group.

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

The table below sets out the relative figures for the Proposed Sale and Re-organisation computed on the bases in Rule 1006 of the Listing Manual (the “**Relative Figures**”) based on (a) the audited consolidated financial statements of the Aspial Group for FY2021, and (b) the latest announced unaudited consolidated financial statements of the Aspial Group for 1H2022.

Rule 1006	Bases	Relative Figures (FY2021) (%)	Relative Figures (1H2022) (%)
(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	14.99 <sup>(1)</sup>	11.39 <sup>(2)</sup>
(b)	Net profits attributable to the assets to be disposed of, compared with the group's net profits	217.43 <sup>(3)(4)(5)</sup>	103.73 <sup>(5)(6)</sup>
(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	47.01 <sup>(7)</sup>	47.01 <sup>(7)</sup>
(d)	Number of equity securities to be issued as consideration compared with the number of equity securities previously in issue	Not applicable as no equity securities will be issued by Aspial pursuant to the Proposed Sale and Re-organisation.	
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable to the Proposed Sale and Re-organisation.	

### Notes:

- (1) Based on the net asset value of the Target Group of S\$65,589,000, compared with the Aspial Group's net asset value of S\$437,530,000, as at 31 December 2021.
- (2) Based on the net asset value of the Target Group of S\$48,437,000, compared with the Aspial Group's net asset value of S\$425,231,000, as at 30 June 2022.
- (3) Based on the net profits attributable to the Target Group of S\$14,320,000, compared with the Aspial Group's net profits of S\$6,586,000, for FY2021.
- (4) For FY2021, the Target Group formed part of the Aspial Group and the net profits attributable to the Target Group of S\$14,320,000 for FY2021 was consolidated with the financial information of the Aspial Group for FY2021. Following such consolidation, the net profits of the Aspial Group for FY2021 was S\$6,586,000. Upon completion of the Proposed Sale and Re-organisation, Aspial will continue to hold a majority interest in Maxi-Cash and Maxi-Cash will continue to remain as a subsidiary of the Aspial Group. Therefore, Aspial will continue to consolidate the financial results of the Maxi-Cash Group upon the completion of the Proposed Sale and Re-organisation. More details are set out in paragraph 4 of the Letter to Shareholders in this Circular.

- (5) As the Proposed Sale and Re-organisation does not involve an acquisition of assets by Aspial, the transaction is not classified as a very substantial acquisition or a reverse takeover.
- (6) Based on the net profits attributable to the Target Group of S\$7,810,000, compared with the Aspial Group's net profits of S\$7,529,000, for 1H2022.
- (7) Based on the aggregate value of the Consideration of S\$99,800,000, compared with the market capitalisation of Aspial, computed on the basis of 2,166,194,245 Aspial Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and the volume-weighted average price of S\$0.098 per Aspial Share on 1 July 2022, being the last market day preceding the date of the SPA in which Aspial Shares were traded.

As the relative figures computed based on Rules 1006(b) and 1006(c) exceed 20 per cent. for both FY2021 and 1H2022, the Proposed Sale and Re-organisation constitutes a major transaction under Rule 1014 of the Listing Manual and shall be subject to the approval of the independent Shareholders.

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

### 10.1 Entity at Risk and Interested Person. Aspial is considered an “entity at risk” for the purposes of Chapter 9 of the Listing Manual in relation to the Proposed Sale and Re-organisation.

Mr Koh Wee Seng is a director, the chief executive officer and controlling shareholder of Aspial. Ms Ko Lee Meng and Ms Koh Lee Hwee are directors and controlling shareholders of Aspial.

As at the Latest Practicable Date, the interests of each of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee as recorded in the register of directors' shareholdings of Maxi-Cash are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	Number of Maxi-Cash Shares	% <sup>(1)</sup>	Number of Maxi-Cash Shares	% <sup>(1)</sup>
Koh Wee Seng	111,434,121	10.45	664,440,557 <sup>(2)(3)</sup>	62.33
Koh Lee Hwee	28,196,664	2.64	671,544,051 <sup>(2)(4)</sup>	62.99
Ko Lee Meng	17,581,376	1.65	665,622,051 <sup>(2)(5)</sup>	62.44

#### Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Aspial has a direct interest in 664,162,569 Maxi-Cash Shares, representing approximately 62.30 per cent. of the total issued Maxi-Cash Shares.
- (3) Mr Koh Wee Seng is deemed interested in the Maxi-Cash Shares held by (i) Aspial and (ii) his spouse, Ms Lim Kwee Hua. Mr Koh Wee Seng is the brother of Ms Koh Lee Hwee and Ms Ko Lee Meng.
- (4) Ms Koh Lee Hwee is deemed interested in the Maxi-Cash Shares held by (i) Aspial and (ii) her spouse, Mr Ng Sheng Tiong. Ms Koh Lee Hwee is the sister of Mr Koh Wee Seng and Ms Ko Lee Meng.
- (5) Ms Ko Lee Meng is deemed interested in the Maxi-Cash Shares held by (i) Aspial and (ii) her spouse, Mr Koh Kian Soo. Ms Ko Lee Meng is the sister of Mr Koh Wee Seng and Ms Koh Lee Hwee.

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

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

**10.2 Proposed Sale and Re-organisation.** The Consideration for the Proposed Sale and Re-organisation is S\$99.8 million (assuming the Earn-out Consideration is paid in full), being the value at risk of the transaction, and represents approximately 21.59 per cent. of the Aspial Group's latest audited consolidated NTA.<sup>13</sup>

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

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

### **10.3 Current and On-going Interested Person Transactions**

**10.3.1 Same Interested Person Transactions.** For the current financial year commencing on 1 January 2022 up to the Latest Practicable Date, the aggregate value of all transactions between Aspial and the Koh Siblings and their associates (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) is approximately S\$14,544,000, representing approximately 3.15 per cent. of the NTA of the Aspial Group, of which S\$3,508,000 falls within Rule 916(1) of the Listing Manual.

Details of the interested person transactions entered into between the Aspial Group and the Koh Siblings and their associates for the current financial year commencing on 1 January 2022 up to the Latest Practicable Date (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) are set out below.

---

<sup>13</sup> The latest audited consolidated NTA of the Aspial Group as at 31 December 2021 is S\$462,186,000.

Name of interested person(s)	Details of transaction	Aggregate value of all interested person transactions in the financial year commencing on 1 January 2022 (excluding transactions less than S\$100,000) (S\$'000)
Global Premium Hotels Limited	Extend the maturity date of 6 per cent. notes issued by Aspial Treasury Pte. Ltd., a wholly-owned subsidiary of Aspial, from 2022 to 2024	7,080
Ng Sheng Tiong		480
Dynamic Project Management Services Pte. Ltd.	Corporate charges	146
Maxi-Cash		2,277
AF Global Limited and its subsidiary		366
Maxi-Cash		1,530
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Lease of premises from Aspial Capital (Ubi) Pte. Ltd.	1,397
Dynamic Project Management Services Pte. Ltd.		116
AF Global Limited and its subsidiary		116
World Class Global Pte. Ltd.		349
Maxi-Cash		293
Maxi-Cash and its subsidiary	Sale and purchase of jewellery	259
WCL (QLD) Margaret St Pty. Ltd.	Interest costs to be incurred by the Aspial Group for the loan from WCL (QLD) Margaret St Pty. Ltd.	135

**10.3.2 Aggregate Interested Person Transactions.** The aggregate value of all interested person transactions entered into by the Aspial Group for the current financial year commencing on 1 January 2022 up to the Latest Practicable Date (excluding transactions which are less than S\$100,000 and the Proposed Sale and Re-organisation) is approximately S\$14,544,000, representing approximately 3.15 per cent. of the NTA of the Aspial Group.



## 11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

**11.1 Interests of Directors and Substantial Shareholders of Aspial.** The interests of the Directors and Substantial Shareholders of Aspial are set out in paragraphs 11.2 and 11.3 of the Letter to Shareholders in this Circular respectively. As at the Latest Practicable Date, save as disclosed in paragraphs 10.1, 11.2 and 11.3 of the Letter to Shareholders in this Circular, none of the Directors or the Substantial Shareholders of Aspial has any interest, direct or indirect, in the Proposed Sale and Re-organisation.

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

Name of Directors	Direct Interest		Deemed Interest	
	Number of Aspial Shares	% <sup>(1)</sup>	Number of Aspial Shares	% <sup>(1)</sup>
Mr Koh Wee Seng	406,595,923	18.77	1,166,083,944 <sup>(2)</sup>	53.83
Ms Koh Lee Hwee	30,890,888	1.43	1,204,402,032 <sup>(3)</sup>	55.60
Ms Ko Lee Meng	33,639,865	1.55	1,161,736,475 <sup>(4)</sup>	53.63
Mr Wong Soon Yum	—	—	—	—
Mr Kau Jee Chu	—	—	—	—
Ms Ng Bie Tjin @ Djuniarti Intan	1,105,200	0.05	—	—

**Notes:**

- (1) The figures are computed based on the issued and paid-up share capital of 2,166,194,245 Aspial Shares (excluding Aspial Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Mr Koh Wee Seng is deemed interested in the Aspial Shares held by (i) MLHS and (ii) his spouse, Ms Lim Kwee Hua. Mr Koh Wee Seng is the brother of Ms Koh Lee Hwee and Ms Ko Lee Meng.
- (3) Ms Koh Lee Hwee is deemed interested in the Aspial Shares held by (i) MLHS and (ii) her spouse, Mr Ng Sheng Tiong. Ms Koh Lee Hwee is the sister of Mr Koh Wee Seng and Ms Ko Lee Meng.
- (4) Ms Ko Lee Meng is deemed interested in the Aspial Shares held by (i) MLHS and (ii) her spouse, Mr Koh Kian Soo. Ms Ko Lee Meng is the sister of Mr Koh Wee Seng and Ms Koh Lee Hwee.

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

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Aspial Shares	% <sup>(1)</sup>	Number of Aspial Shares	% <sup>(1)</sup>
MLHS <sup>(2)</sup>	1,160,581,588	53.58	—	—
Mr Koh Wee Seng	406,595,923	18.77	1,166,083,944 <sup>(3)</sup>	53.83
Ms Koh Lee Hwee	30,890,888	1.43	1,204,402,032 <sup>(4)</sup>	55.60
Ms Ko Lee Meng	33,639,865	1.55	1,161,736,475 <sup>(5)</sup>	53.63

**Notes:**

- (1) The figures are computed based on the issued and paid-up share capital of 2,166,194,245 Aspial Shares (excluding Aspial Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) MLHS is a controlling shareholder of Aspial, holding approximately 53.58% of the shareholding of Aspial. The shareholders of MLHS are Mr Koh Wee Seng (47.00%), Ms Ko Lee Meng (25.75%), Ms Koh Lee Hwee (24.25%), Madam Tan Su Lan (2.00%) and the estate of Mr Koh Chong Him @ Ko Chong Sung (1.00%). Madam Tan Su Lan @ Tan Soo Lung is the mother of Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng. Ms Ko Lee Meng, Mr Koh Wee Seng and Ms Koh Lee Hwee are siblings.
- (3) Mr Koh Wee Seng is deemed interested in the Aspial Shares held by (i) MLHS and (ii) his spouse, Ms Lim Kwee Hua. Ms Lim Kwee Hua has a direct interest in 5,502,356 Aspial Shares, representing approximately 0.25 per cent. of the total issued Aspial Shares. Mr Koh Wee Seng is the brother of Ms Koh Lee Hwee and Ms Ko Lee Meng.

- (4) Ms Koh Lee Hwee is deemed interested in the Aspial Shares held by (i) MLHS and (ii) her spouse, Mr Ng Sheng Tiong. Mr Ng Sheng Tiong has a direct interest in 43,820,444 Aspial Shares, representing approximately 2.02 per cent. of the total issued Aspial Shares. Ms Koh Lee Hwee is the sister of Mr Koh Wee Seng and Ms Ko Lee Meng.
- (5) Ms Ko Lee Meng is deemed interested in the Aspial Shares held by (i) MLHS and (ii) her spouse, Mr Koh Kian Soo. Mr Koh Kian Soo has a direct interest in 1,154,887 Aspial Shares, representing approximately 0.05 per cent. of the total issued Aspial Shares. Ms Ko Lee Meng is the sister of Mr Koh Wee Seng and Ms Koh Lee Hwee.

#### **11.4 Abstention from Voting.**

In accordance with Rule 919 of the Listing Manual, MLHS and the Koh Siblings, being interested persons, are required to and will undertake to abstain, and to ensure that their respective associates will abstain, from voting on the resolution relating to the Proposed Sale and Re-organisation at the EGM.

Further, each of MLHS and the Koh Siblings 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 resolution relating to the Proposed Sale and Re-organisation for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his or her votes are to be cast at the EGM.

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

#### **12. OPINION AND ADVICE OF THE IFA**

- 12.1 IFA.** An independent financial adviser is to be appointed, pursuant to Rule 921(4)(a) of the Listing Manual, to express an opinion on whether the Proposed Sale and Re-organisation is on normal commercial terms and is not prejudicial to the interests of Aspial and its minority Shareholders.

NCF has been appointed as the IFA, pursuant to Rule 921(4)(a) of the Listing Manual, to express its opinion as to whether the Proposed Sale and Re-organisation, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of Aspial and its minority Shareholders.

A copy of the IFA Letter dated 2 September 2022 (the **"IFA Letter"**) is set out in Appendix A to this Circular and Shareholders are advised to read the IFA Letter carefully.

#### **12.2 IFA's Opinion and Advice.**

Information relating to the opinion and advice of the IFA in respect of the Proposed Sale and Re-organisation as an interested person transaction, and the key factors it has taken into consideration have been extracted from Section 6 of the IFA Letter (and reproduced below), and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the IFA Letter unless otherwise stated.

Shareholders are advised to read the following extract in conjunction with, and in the context of the full text of the IFA Letter.

*"In arriving at our opinion in respect of the Proposed Sale and Re-organisation, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:*

- (a) *The rationale for the Proposed Sale and Re-organisation;*
- (b) *The Target Group's revenue decreased by approximately S\$19.63 million from approximately S\$87.39 million in FY2019 to approximately S\$67.76 million in FY2020 mainly due to the temporary closure of retail outlets during the circuit breaker period in Singapore. Following the easing of COVID-19 restrictions in Singapore, the Target Group's revenue increased by approximately S\$39.15 million to approximately*

S\$106.91 million in FY2021. The Target Group's revenue increased by approximately S\$11.43 million from approximately S\$49.26 million in HY2021 to approximately S\$60.69 million in HY2022, mainly due to higher sales in HY2022. The Target Group incurred a net loss of approximately S\$0.85 million in FY2019, and achieved a net profit of approximately S\$3.14 million, S\$12.55, S\$5.73 million and S\$6.48 million in FY2020, FY2021, HY2021 and HY2022 respectively;

- (c) *The Base Consideration is at an excess of S\$0.80 million to the lower range of the Market Value of S\$87.00 million, and the Consideration is at an excess of S\$0.30 million to the upper range of the Market Value of S\$99.50 million;*
- (d) *The Base Consideration represents a premium of approximately 81.27%, 96.21% and 63.60% to the NAV, NTA and RNAV of the Target Group as at 30 June 2022 respectively, and the Consideration represents a premium of approximately 106.04%, 123.03% and 85.96% to the NAV, NTA and RNAV of the Target Group as at 30 June 2022 respectively;*
- (e) *In comparison with the Target Group Comparable Companies<sup>14</sup>:*
  - (i) *The LTM P/E ratio (as implied by the Base Consideration) of the Target Group of 6.60 times and the LTM P/E ratio (as implied by the Consideration) of the Target Group of 7.51 times are within the range of LTM P/E ratios of the Target Group Comparable Companies of between 2.36 times and 18.27 times, but below the mean and median ratios of the Target Group Comparable Companies of 8.21 times and 7.63 times respectively;*
  - (ii) *The LTM EV/EBITDA ratio (as implied by the Base Consideration) of the Target Group of 4.79 times and the LTM EV/EBITDA (as implied by the Consideration) of 5.18 times are within the range of LTM EV/EBITDA ratios of the Target Group Comparable Companies of between 1.90 times and 5.18 times, and above the mean and median ratios of the Target Group Comparable Companies of 3.98 times and 4.16 times respectively;*
  - (iii) *The P/NAV ratio (as implied by the Base Consideration) of the Target Group of 1.81 times and the P/NAV ratio (as implied by the Consideration) of the Target Group of 2.06 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively;*
  - (iv) *The P/RNAV ratio (as implied by the Base Consideration) of the Target Group of 1.64 times and the P/RNAV ratio (as implied by the Consideration) of the Target Group of 1.86 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively; and*
  - (v) *The P/NTA ratio (as implied by the Base Consideration) of the Target Group of 1.96 times and the P/NTA ratio (as implied by the Consideration) of the Target Group of 2.23 times are within the range of P/NTA ratios of the Target Group Comparable Companies of between 0.10 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively;*

<sup>14</sup> The term "**Target Group Comparable Companies**", as used in the extract herein, is defined in the IFA Letter as selected companies listed on the SGX-ST, the Hong Kong Exchanges and Clearing Limited and Bursa Malaysia Berhad which are primarily engaged in the manufacture and sale of jewellery in the region. Please refer to paragraph 5.5 of the IFA Letter for more information on the Target Group Comparable Companies.

(f) *Our assessment of the Issue Price as follows:*

- (i) *the daily closing prices of the Maxi-Cash Shares over the one-year period prior to and including the Last Trading Day were between a low of S\$0.161 and a high of S\$0.186, and the Issue Price represents a discount of approximately 5.23%, 2.40%, 0.61% and 0.61% to the VWAPs of the Maxi-Cash Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively;*
- (ii) *the daily closing prices of the Maxi-Cash Shares over the period after the Last Trading Day and up to the Latest Practicable Date were between a low of S\$0.160 and a high of S\$0.168, and the Issue Price represents a discount of approximately 0.61% to the VWAP of the Maxi-Cash Shares of S\$0.164 for the period after the Last Trading Day and up to the Latest Practicable Date, and is equivalent to the closing price of the Maxi-Cash Shares of S\$0.163 on the Latest Practicable Date;*
- (iii) *The Issue Price represents a premium of approximately 14.31%, 15.93% and 15.60% to the NAV per Maxi-Cash Share, NTA per Maxi-Cash Share and RNAV per Maxi-Cash Share as at 30 June 2022 respectively;*
- (iv) *The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.22 times, 1.19 times, 1.17 times and 1.17 times for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively, and (b) within the range of historical trailing P/NAV multiples of between 1.14 and 1.33 for the one-year period prior to and including the Last Trading Day;*
- (v) *The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiple of the Maxi-Cash Shares of 1.15 times for the period after the Last Trading Day and up to the Latest Practicable Date, and (b) within the range of historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.12 times to 1.18 times for the period after the Last Trading Day and up to the Latest Practicable Date;*
- (vi) *In comparison with the Maxi-Cash Comparable Companies:*
  - I. *The LTM P/E ratio (as implied by the Issue Price) of Maxi-Cash Group of 11.08 times is above the range of LTM P/E ratios of the Maxi-Cash Comparable Companies of between 3.66 times and 10.76 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 6.83 times and 7.00 times respectively;*
  - II. *The LTM EV/EBITDA ratio (as implied by the Issue Price) of Maxi-Cash Group of 13.28 times is above the range of LTM EV/EBITDA ratios of the Maxi-Cash Comparable Companies of between 4.27 times and 11.41 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 8.01 times and 8.19 times respectively;*
  - III. *The P/NAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.14 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively;*
  - IV. *The P/RNAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively; and*

V. *The P/NTA ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NTA ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.77 times and 0.64 times respectively;*

- (g) *The pro forma financial effects of the Proposed Sale and Re-organisation; and*
- (h) *The other relevant considerations as set out in paragraph 5.8 of this Letter, namely, (i) the change in interests of the Company in Maxi-Cash Shares from 62.30% to 70.83% upon completion of the Proposed Sale and Re-organisation, and to 71.59% following the payment of the Earn-out Consideration in full; (ii) the re-organisation of the corporate structure such that the Maxi-Cash Group (which will include the Target Group upon completion of the Proposed Sale and Re-organisation) will remain a subsidiary of the Company; (iii) the dividend track record of Maxi-Cash; and (iv) the abstention from voting by MLHS and the Koh Siblings.*

***Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Sale and Re-organisation is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.***

***Accordingly, we would advise the Non-Interested Directors to recommend that the Independent Shareholders vote in favour of the Proposed Sale and Re-organisation at the EGM."***

### **13. STATEMENT OF THE AUDIT COMMITTEE**

- 13.1** The Audit Committee comprises Mr Wong Soon Yum, Mr Kau Jee Chu, Ms Ng Bie Tjin @ Djuniarti Intan and Ms Ko Lee Meng. The Chairman of the Audit Committee is Mr Wong Soon Yum.
- 13.2** As Maxi-Cash is an associate of Ms Ko Lee Meng and Ms Ko Lee Meng is also a director of Maxi-Cash, Ms Ko Lee Meng is considered to be interested in the resolution on the Proposed Sale and Re-organisation and has recused herself from the Audit Committee's deliberations on such resolution and abstained from issuing a view on such resolution.
- 13.3** The Audit Committee (other than Ms Ko Lee Meng), having considered and reviewed, *inter alia*, the Consideration and the basis for the Consideration (as set out in paragraph 3.1.5 of the Letter to Shareholders in this Circular) and the opinion and advice of the IFA (as set out in Appendix A to this Circular), and after discussions with the management of Aspial, is satisfied that, the Proposed Sale and Re-organisation as an interested person transaction is on normal commercial terms, not prejudicial to the interests of Aspial and its minority Shareholders, and in the interests of the Shareholders. Accordingly, the Audit Committee (other than Ms Ko Lee Meng) recommends that the independent Shareholders vote in favour of the resolution relating to the Proposed Sale and Re-organisation to be proposed at the EGM, notice of which is set out on pages N-1 to N-2 of this Circular.

### **14. NON-INTERESTED DIRECTORS' RECOMMENDATIONS**

The Directors who are considered independent for the purposes of the resolution relating to the Proposed Sale and Re-organisation are Mr Wong Soon Yum, Mr Kau Jee Chu and Ms Ng Bie Tjin @ Djuniarti Intan (the "**Non-Interested Directors**"). Each of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee is a director of Maxi-Cash and collectively hold more than five per cent. in Maxi-Cash (other than through Aspial) and are accordingly considered to be interested in the resolution on the Proposed Sale and Re-organisation.

Having considered, *inter alia*, the terms, the rationale for and benefits of the Proposed Sale and Re-organisation, as well as the opinion and advice of the IFA, the Non-Interested Directors are of the view that the Proposed Sale and Re-organisation is in the best interests of Aspial and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that the independent Shareholders vote in favour of the resolution relating to the Proposed Sale and Re-organisation to be proposed at the EGM, notice of which is set out on pages N-1 to N-2 of this Circular.



In giving the above recommendation, the Non-Interested Directors have not had regard to any general or any specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any individual Shareholder or any specific group of Shareholders. As different Shareholders have different investment profiles and objectives, the Non-Interested Directors recommend that any Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

## **15. CONSENTS**

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

**15.2 Consent by Aspial's Valuer.** Aspial's Valuer, BDO, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Valuation Summary Letter (as set out in Appendix B to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

## **16. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be convened and held by way of electronic means on 26 September 2022 at 10.00 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice.

## **17. ACTION TO BE TAKEN BY THE SHAREHOLDERS**

**17.1 EGM to be Convened by way of Electronic Means.** The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice and Proxy Form will not be sent to Shareholders. This Circular (together with the Notice and the Proxy Form) may also be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/> and is also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**17.2 Alternative Arrangements relating to Attendance at the EGM.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at a VIS to be held on 14 September 2022 at 2.00 p.m. before the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Aspial announcement dated 2 September 2022. This announcement may be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**17.3 Appointment of the Chairman of the EGM as Proxy.** A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Printed copies of the Notice and the Proxy Form will not be sent to Shareholders. The Proxy Form may be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/> and is also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**17.4 Submission of Proxy Forms.** The instrument appointing the Chairman of the EGM as proxy must be submitted to Aspial in the following manner:

**17.4.1** if submitted by post, be lodged at the office of Aspial's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or

**17.4.2** if submitted electronically, be submitted via email to Aspial at [AspialEGM@aspial.com](mailto:AspialEGM@aspial.com),

in either case, by 10.00 a.m. (Singapore time) on 23 September 2022, being not less than 72 hours before the time appointed for the EGM.

A Shareholder who wishes to submit a Proxy Form 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. In the alternative, a Shareholder may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

#### **18. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including any who may have delegated detailed supervision of the preparation of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Sale and Re-organisation and the Aspial 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.

#### **19. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of Aspial at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, during normal business hours from the date of this Circular and for a period of three months thereafter:

- (i) the SPA;
- (ii) the Constitution of Aspial;
- (iii) the annual report of Aspial for FY2021;
- (iv) the IFA Letter;
- (v) the letters of consent from NCF and BDO referred to in paragraph 15 of the Letter to Shareholders in this Circular; and
- (vi) the Valuation Report.

Yours faithfully

For and on behalf of the Board of Directors of  
**ASPIAL CORPORATION LIMITED**

**Mr Wong Soon Yum**  
**Lead Independent Director**



## APPENDIX A LETTER FROM THE IFA

### NOVUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201723484W)

7 Temasek Boulevard  
#18-03B Suntec Tower 1  
Singapore 038987

2 September 2022

To: The Non-Interested Directors of Aspial Corporation Limited  
(deemed to be independent in respect of the Proposed Sale and Re-organisation as an interested person transaction)

Mr. Wong Soon Yum	(Lead Independent Director)
Mr. Kau Jee Chu	(Independent Non-Executive Director)
Ms. Ng Bie Tjin @ Djuniarti Intan	(Independent Non-Executive Director)

Dear Sirs,

#### INDEPENDENT FINANCIAL ADVICE IN RESPECT OF THE PROPOSED SALE OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF ASPIAL-LEE HWA JEWELLERY SINGAPORE PTE. LTD., GOLD PURPLE PTE. LTD. AND BU2 SERVICES PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

---

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 2 September 2022 (the “Circular”) issued by Aspial Corporation Limited (“Aspial” or the “Company”) to shareholders of the Company (the “Shareholders”) shall have the same meanings herein.*

#### 1. INTRODUCTION

On 7 July 2022 (the “**Announcement Date**”), the Company (together with its subsidiaries and associated companies, the “**Aspial Group**”) announced that it had entered into a sale and purchase agreement (the “**SPA**”) with its subsidiary, Maxi-Cash Financial Services Corporation Ltd. (“**Maxi-Cash**” or the “**Purchaser**”, and together with its subsidiaries and associated companies, the “**Maxi-Cash Group**”), pursuant to which the Company had agreed to sell and procure the sale of, and Maxi-Cash had agreed to acquire, all the issued ordinary shares (the “**Sale Shares**”) in the capital of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd., which are wholly-owned subsidiaries of Aspial, on the terms and subject to the conditions of the SPA (the “**Proposed Sale and Re-organisation**”).

The consideration for the Proposed Sale and Re-organisation shall be a minimum of S\$87.8 million (the “**Base Consideration**”) and up to an aggregate of S\$99.8 million (the “**Consideration**”). Please refer to paragraph 4.1.1 of this Letter for further details.

The entities which are the subject of the Proposed Sale and Re-organisation comprises the following:

- (a) Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. (“**ALHJS**”) (a wholly-owned subsidiary of the Company);
- (b) Aspial-Lee Hwa Jewellery Pte. Ltd. (a wholly-owned subsidiary of ALHJS);
- (c) Goldheart Jewelry Pte. Ltd. (a wholly-owned subsidiary of ALHJS);

- (d) Aspial Capital (Ubi) Pte. Ltd. ("**ACU**") (a joint venture entity held 50% each by ALHJS and Maxi-Cash);
- (e) Gold Purple Pte. Ltd. (a wholly-owned subsidiary of the Company); and
- (f) BU2 Services Pte. Ltd. (a wholly-owned subsidiary of Aspial International Pte. Ltd., which is in turn wholly-owned by the Company),

(collectively, the "**Target Group**").

As at the Latest Practicable Date:

- (a) The Company has a direct interest in 664,162,569 issued ordinary shares in the issued share capital of Maxi-Cash (the "**Maxi-Cash Shares**"), representing approximately 62.30% of the total issued Maxi-Cash Shares (excluding treasury shares);
- (b) Mr. Koh Wee Seng, the Chief Executive Officer and substantial shareholder of the Company, has a direct interest in 111,434,121 Maxi-Cash Shares, representing approximately 10.45% of the total issued Maxi-Cash Shares (excluding treasury shares) and a deemed interest in 664,440,557 Maxi-Cash Shares, representing approximately 62.33% of the total issued Maxi-Cash Shares (excluding treasury shares) arising out of (i) 277,988 Maxi-Cash Shares held by his spouse, and (ii) 664,162,569 Maxi-Cash Shares held by the Company by virtue of Section 7 of the Companies Act 1967 of Singapore (the "**Companies Act**"). Mr. Koh Wee Seng is also the non-executive chairman of Maxi-Cash;
- (c) Ms. Koh Lee Hwee, the Executive Director and substantial shareholder of the Company, has a direct interest in 28,196,664 Maxi-Cash Shares, representing approximately 2.64% of the total issued Maxi-Cash Shares (excluding treasury shares) and a deemed interest in 671,544,051 Maxi-Cash Shares, representing approximately 62.99% of the total issued Maxi-Cash Shares (excluding treasury shares) arising out of (i) 7,381,482 Maxi-Cash Shares held by her spouse, and (ii) 664,162,569 Maxi-Cash Shares held by the Company by virtue of Section 7 of the Companies Act. Ms. Koh Lee Hwee is also a non-executive director of Maxi-Cash;
- (d) Ms. Ko Lee Meng, the Non-Executive and Non-Independent Director and substantial shareholder of the Company, has a direct interest in 17,581,376 Maxi-Cash Shares, representing approximately 1.65% of the total issued Maxi-Cash Shares (excluding treasury shares) and a deemed interest in 665,622,051 Maxi-Cash Shares, representing approximately 62.44% of the total issued Maxi-Cash Shares (excluding treasury shares) arising out of (i) 1,459,482 Maxi-Cash Shares held by her spouse, and (ii) 664,162,569 Maxi-Cash Shares held by the Company by virtue of Section 7 of the Companies Act. Ms. Ko Lee Meng is also a non-executive director of Maxi-Cash.

Mr. Koh Wee Seng, Ms. Koh Lee Hwee and Ms. Ko Lee Meng (the "**Koh Siblings**") are siblings. The Koh Siblings and their immediate family, have an interest of more than 30% in Maxi-Cash. Further, the Koh Siblings collectively have a direct interest in more than 5% in Maxi-Cash, other than through the Company.

Accordingly, Maxi-Cash is regarded as an associate of each of the Koh Siblings and an "interested person" of the Company for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and the Proposed Sale and Re-organisation is an interested person transaction under Chapter 9 of the Listing Manual.

Pursuant to Rule 906 of the Listing Manual, the approval from the Shareholders is required for any interested person transaction of a value equal to or more than (a) 5% of the latest audited net tangible assets (“NTA”) of the Aspiat Group, or (b) 5% of the Aspiat Group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. The value of the Proposed Sale and Re-organisation, being the Consideration of S\$99.8 million (assuming the Earn-out Consideration (as defined in the Circular) is paid in full), represents approximately 21.59% of the Aspiat Group’s latest audited consolidated NTA<sup>1</sup> of approximately S\$462.19 million as at 31 December 2021.

Accordingly, the Company will be convening an extraordinary general meeting (“EGM”) to seek Shareholders’ approval for the Proposed Sale and Re-Organisation.

Novus Corporate Finance Pte. Ltd. (“NCF”) has been appointed by the Company as the independent financial adviser (“IFA”), as required under Rule 921(4)(a) of the Listing Manual, to express an opinion as to whether the Proposed Sale and Re-organisation as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders.

This letter (“Letter”) has been prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Directors who are deemed independent in respect of the Proposed Sale and Re-organisation (the “Non-Interested Directors”) in their consideration of the Proposed Sale and Re-organisation as an interested person transaction. This Letter sets out, *inter alia*, our views and evaluations of the Proposed Sale and Re-organisation and our opinion thereon, and forms part of the Circular providing, *inter alia*, the terms and conditions of the Proposed Sale and Re-organisation and the recommendation of the Non-Interested Directors.

## 2. TERMS OF REFERENCE

We have been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual to express an opinion as to whether the Proposed Sale and Re-organisation as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Sale and Re-organisation nor were we involved in the deliberations leading up to the decision of the Directors to undertake the Proposed Sale and Re-organisation. Accordingly, we do not, by this Letter, warrant the merits of the Proposed Sale and Re-organisation other than to express an opinion on whether the Proposed Sale and Re-organisation is on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

Our terms of reference do not require us to evaluate or comment on the legal, commercial or strategic merits of the Proposed Sale and Re-organisation. Such evaluations and comments are and remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company and the Target Group. We have also relied on information provided and representations made, whether written or verbal, including relevant financial analyses, estimates and representations contained in the Circular by the management of the Company (the “Management”), the Directors, and the Company’s solicitors and auditors. We have not independently verified such information, representation or assurance, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised

---

<sup>1</sup> Computed based on the net assets of the Aspiat Group, net of intangible assets and net deferred tax assets.

our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information, representation or assurance.

We have relied upon the assurances of the Directors (including those who may have been delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, that (a) all material information in connection with the Proposed Sale and Re-organisation, the Aspiat Group, the Maxi-Cash Group as well as the Target Group has been disclosed to us; (b) such information is true, complete and accurate in all material aspects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Sale and Re-organisation, the Company, the Target Group, the Aspiat Group and/or the Maxi-Cash Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purpose of assessing the Proposed Sale and Re-organisation and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of the Company, the Target Group, the Aspiat Group and/or the Maxi-Cash Group. We have also not relied upon any financial projections or forecasts in respect of the Company, the Target Group, the Aspiat Group and/or the Maxi-Cash Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company, the Target Group, the Aspiat Group and/or the Maxi-Cash Group in connection with our opinion in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, property, plant and equipment) of the Company, the Target Group, the Aspiat Group or the Maxi-Cash Group. As such, we will be relying on the Valuation Report (as defined herein) as well as the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company, the Target Group, the Aspiat Group and/or the Maxi-Cash Group.

Our analysis and our opinion as set out in this Letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 26 August 2022 (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Sale and Re-organisation which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

**Our opinion in respect of the Proposed Sale and Re-organisation, as set out in paragraph 6 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.**

### 3. INFORMATION ON THE COMPANY, THE TARGET GROUP AND THE PURCHASER

#### 3.1 Information on the Company

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

#### 3.2 Information on the Target Group

The details on the Target Group have been set out in Section 2.2 of the Circular. The key information is extracted and reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

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

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

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

### 3.3 Information on the Purchaser

The details on the Purchaser have been set out in Section 2.3 of the Circular. The key information is extracted and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

**“2.3.1** *Maxi-Cash is a public company incorporated in Singapore on 10 April 2008 and has been listed on the Catalist Board of the SGX-ST since 22 June 2012. Maxi-Cash, its subsidiaries and associated companies (collectively, the “Maxi-Cash Group”) are engaged in the following business segments:*

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

**2.3.2** *Maxi-Cash is a subsidiary of Aspial. As at the Latest Practicable Date, Aspial has a direct interest in 664,162,569 issued ordinary shares in the capital of Maxi-Cash (the “Maxi-Cash Shares”), representing approximately 62.30 per cent. of the total issued Maxi-Cash Shares. As at the Latest Practicable Date, the directors of Maxi-Cash are:*

- (i) Mr Koh Wee Seng;*
- (ii) Ms Koh Lee Hwee;*
- (iii) Ms Ko Lee Meng;*
- (iv) Mr Tan Keh Yan, Peter;*
- (v) Mr Lee Sai Sing;*
- (vi) Ms Goh Bee Leong;*
- (vii) Mr Tan Soo Kiang; and*
- (viii) Mr Ng Kean Seen.*

*Mr Ng Kean Seen, Executive Director and Chief Executive Officer of Maxi-Cash, is part of the management team of Maxi-Cash which provides management services to the Target Group. Save for (i) the above, (ii) interests (including deemed interests) in the securities of Maxi-Cash held by MLHS (a Substantial Shareholder of each of Aspial and Maxi-Cash), Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng (each, a Director and Substantial Shareholder of Aspial and Maxi-Cash), and save as (iii) disclosed in the Circular and in the SGXNet announcements of the Company, there are no other connections (including business relationships) between Aspial, its Directors and its Substantial Shareholders with Maxi-Cash, its directors and its Substantial Shareholders.”*

Maxi-Cash will change its name to “Aspial Lifestyle Limited” upon completion of the Proposed Sale and Re-organisation.



## 4. THE PROPOSED SALE AND RE-ORGANISATION

### 4.1 Principal terms of the SPA

#### 4.1.1 Consideration for the Proposed Sale and Re-organisation

The following information on the Consideration has been extracted from Section 3.1 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

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

- (i) *S\$87.8 million (the **“Base Consideration”**), payable on completion of the sale and purchase of the Sale Shares pursuant to the SPA (**“Closing”**), which shall be satisfied by:*
  - (I) *the payment of an amount of S\$37.0 million (the **“Base Consideration Cash Amount”**) comprising:*
    - (A) *the settlement by Maxi-Cash of the debt of an amount not exceeding S\$22.0 million owing from Aspiat to the Target Group (the **“Outstanding Debt”**) which shall be offset against an equivalent portion of the Base Consideration Cash Amount;*
    - (B) *S\$7.5 million in cash (the **“Deferred Base Consideration Cash Amount”**) to be paid by Maxi-Cash to Aspiat on the date falling three months after the Closing Date<sup>2</sup> (the **“Relevant Date”**); and*
    - (C) *a remaining amount in cash (the **“Closing Base Consideration Cash Amount”**) equivalent to the Base Consideration Cash Amount LESS the aggregate of (i) the Outstanding Debt; and (ii) the Deferred Base Consideration Cash Amount to be paid by Maxi-Cash to Aspiat on Closing. For illustrative purposes, the Closing Base Consideration Cash Amount will amount to S\$7.5 million if the Outstanding Debt amounts to S\$22.0 million at Closing; and*
  - (II) *an amount of S\$50.8 million (the **“Consideration Share Amount”**) which shall be satisfied by the allotment and issuance of 311,656,441 new ordinary shares in the capital of Maxi-Cash (**“Base Consideration Shares”**) to Aspiat at an issue price of S\$0.163 (the **“Issue Price”**) for each Base Consideration Share. The Issue Price is based on the volume-weighted average price of the Maxi-Cash Shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the Maxi-Cash Shares were recorded; and*
- (ii) *up to S\$12.0 million (the **“Earn-out Consideration”**), which shall be satisfied by:*
  - (I) *S\$6.0 million in cash (the **“Earn-out Consideration Cash Amount”**); and*
  - (II) *an amount of S\$6.0 million which shall be satisfied by the allotment and issuance of 36,809,815 new ordinary shares in the capital of Maxi-Cash (the **“Earn-out Consideration Shares”**, and together with the Base Consideration Shares, the **“Consideration Shares”**) to be issued to Aspiat at the Issue Price for each Earn-out Consideration Share.*

---

<sup>2</sup> “Unless such payment is being further deferred as described in paragraph 3.1.2 of the Letter to Shareholders in this Circular.”

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

**3.1.3 Adjustments to Base Consideration Shares and Earn-out Consideration Shares.** *If a variation in the ordinary share capital of Maxi-Cash shall take place (including by way of, inter alia, consolidation, subdivision or reclassification of shares, capitalisation issues, rights, warrants or other convertibles issues and certain capital distributions (each, an “Adjustment Event”)) between the date of the SPA and the date the Earn-out Consideration Shares (if any) are issued pursuant to the terms of the SPA, the Parties agree that there shall be an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, to be issued to Aspial as described in paragraph 3.1.1 of the Letter to Shareholders in this Circular above, so as to prevent a dilution of the percentage shareholding held by Aspial in Maxi-Cash. Notwithstanding the above, where an Adjustment Event occurs which does not result in a pro rata dilution of the percentage shareholding held by Aspial in Maxi-Cash, the Parties may (acting reasonably) mutually agree to an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, that the Parties determine to be fair and reasonable to take into account such Adjustment Event had it occurred prior to the date of the SPA, in particular, if the Adjustment Event would have resulted in a reduction in the Issue Price. For the avoidance of doubt, any such adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, shall be made in such a way that Aspial will not receive a benefit that a shareholder of Maxi-Cash does not receive.*

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

- (i) *at least S\$10.0 million<sup>3</sup>, Maxi-Cash shall make payment of the entire Earn-out Consideration to Aspial;*
- (ii) *less than S\$10.0 million, Maxi-Cash shall make a pro rata payment of the Earn-out Consideration to Aspial in accordance with the formulae set out as follows:*

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

$$\begin{array}{lll}
 \text{Pro-rated Earn-out} & : & \frac{\text{FY2022 NPAT (in millions)}}{10} * \text{the Earn-out} \\
 \text{Consideration Shares} & & \text{Consideration} \\
 \text{to be issued by Maxi-} & & \text{Shares} \\
 \text{Cash to Aspial} & & 
 \end{array}$$

*The Earn-out Consideration (or such proportion thereof) shall be paid by Maxi-Cash to Aspial within 30 days of the completion of a special purpose audit of the Target Group to be undertaken for the purposes of determining the FY2022 NPAT (the “Special Audit”), or such longer period, up to a maximum of six (6) months after such Special Audit is completed.*

<sup>3</sup> “This amount of S\$10.0 million was arrived at after Aspial had considered (i) the historical financial performance of the Target Group (see paragraph 2.2.3 (i) of the Letter to Shareholders in this Circular for the key financial information of the Target Group) and (ii) future growth prospects of the Target Group.”

**3.1.5 Basis of Consideration.** *The Consideration was arrived at on a “willing-buyer willing-seller” basis, taking into account, inter alia, (i) the historical financial performance of the Target Group, (ii) the Target Group’s business prospects, (iii) the average of the indicative market values of the Sale Shares based on the preliminary valuations conducted by the Valuers, and (iv) the proposed terms and formulae of the Consideration. In relation to (iii), notwithstanding that the Consideration was arrived at based on preliminary valuations conducted by the Valuers, Aspial and Maxi-Cash had considered the final valuations by the Valuers (as set out in the Valuation Report and the Valuation Summary Letter) and determined that no changes were required to be made to the Consideration.”*

#### **4.1.2 Conditions Precedent**

The following information on the conditions precedent to the Proposed Sale and Re-organisation has been extracted from Section 3.2 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

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

- 3.2.1** *all consents, approvals and authorisations of Governmental Authorities (as defined in the SPA) and any counterparties to the contracts entered into by the Aspial Group, the Target Group or the Maxi-Cash Group which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained, and if such consents, approvals and authorisations are subject to conditions, such conditions being acceptable to both Aspial and Maxi-Cash (acting reasonably and in good faith);*
- 3.2.2** *approval by the independent Shareholders of the sale of the Sale Shares on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual);*
- 3.2.3** *no event having occurred which has a material adverse effect on the turnover, profitability, financial or trading position or prospects of the Target Group as a whole, not being an event affecting or likely to affect generally all companies carrying on similar businesses;*
- 3.2.4** *no notice of termination having been received by any Target Group Company (as defined in the SPA) in connection with any material contract, lease, licence or other similar commercial arrangement to which the Target Group Company is a party, as identified by the Target Group and agreed in writing by Maxi-Cash, and none of such material contracts, leases, licences or commercial arrangements being adversely affected to a material extent, as a result of the entry by Aspial into the SPA and/or the transactions contemplated under the SPA;*
- 3.2.5** *the net asset value of the Target Group as derived from the combined unaudited management accounts of the Target Group for the most recent completed quarter prior to Closing not being less than S\$40.0 million;*
- 3.2.6** *the Seller’s Warranties (as defined in the SPA) being and remaining true, accurate and not misleading in all material respects as at the date of the SPA and as at the Closing Date;*
- 3.2.7** *no injunction, interim or otherwise, having been granted in respect of Aspial, any Target Group Company or Maxi-Cash, and no laws having been enacted or proposed, which would prohibit or restrict (i) Aspial or Maxi-Cash from entering into or performing their obligations under the SPA; and/or (ii) the implementation of the transactions contemplated by the SPA;*

- 3.2.8** *approval by the independent shareholders of Maxi-Cash of the acquisition of the Sale Shares and the allotment and issuance of the Consideration Shares to Aspial on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the Listing Manual); and*
- 3.2.9** *receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for all the Consideration Shares on the SGX-ST, on conditions (if any) reasonably acceptable to both Aspial and Maxi-Cash and such notice not being revoked or amended, and any such conditions which are required to be fulfilled on or before the Closing Date being fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST.”*

## **4.2 Independent Valuation**

An independent valuation report dated 2 September 2022 (the “**Valuation Report**”) in respect of 100% equity interest of the Target Group (based on the income approach as the primary approach) (the “**Independent Valuation**”), was issued by BDO Advisory Pte. Ltd. (the “**Independent Valuer**”). Based on the Valuation Report, the market value of 100% equity interest of the Target Group as at 31 March 2022 is estimated to range from S\$87.00 million to S\$99.50 million. Please also refer to paragraph 5.2 of this Letter for more details on the Independent Valuation.

## **4.3 Rationale for the Proposed Sale and Re-organisation**

The full text of the rationale and benefits of the Proposed Sale and Re-organisation has been extracted from Section 4 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

- “4.1** *Aspial's overarching intention and objective is to streamline its investments, businesses, operations, and the corporate structure of the Aspial Group.*
- 4.2** *In line with the above, Aspial had acquired and privatised its subsidiary, World Class Global Pte. Ltd. in 2021. As part of the Board's ongoing strategic reviews, the Board is now proposing the Proposed Sale and Re-organisation given the synergy between the businesses of Maxi-Cash and the Target Group. The Proposed Sale and Re-organisation will enable the Aspial Group to focus and consolidate its local retail business segment under the management of Maxi-Cash. It is also expected to have the following benefits:*
  - 4.2.1** *The Proposed Sale and Re-organisation will allow Aspial (through the enlarged Maxi-Cash Group) to create and benefit from group-wide synergies and cost savings in areas of organisational structure, systems, processes and knowledge transfer across various business and support functions in the Maxi-Cash Group, including, but not limited to, marketing, merchandising, operations, information technology, finance and human resources.*
  - 4.2.2** *With the enlarged scale, Aspial (through the enlarged Maxi-Cash Group) will be able to benefit from an improved relative bargaining position when dealing with business partners, suppliers, vendors and lenders.*
  - 4.2.3** *The enlarged scale of the business and operations will enable Aspial (through the Maxi-Cash Group) to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities. This will allow Aspial (through the Maxi-Cash Group) to attract, train and retain talent, which in turn will drive long-term growth of the Aspial Group (including the Maxi-Cash Group).*

**4.2.4** *The enlarged Maxi-Cash Group will be able to significantly increase its retail presence in Singapore, with the addition of the Target Group's 25 retail outlets<sup>4</sup> islandwide in Singapore.<sup>5</sup>*

**4.2.5** *The Proposed Sale and Re-organisation will also help minimise any potential and/or existing conflicts of interests between the Maxi-Cash Group and the Target Group, and any transactions entered into between the Maxi-Cash Group and the Target Group will no longer be considered as interested person transactions. Accordingly, this will provide Aspial (through the enlarged Maxi-Cash Group) with greater control and flexibility to mobilise and optimise its resources across its businesses so as to facilitate greater business collaborations, and to reduce both the Maxi-Cash Group's and Aspial's compliance costs and expenses.*

**4.3** *After the Proposed Sale and Re-organisation, Maxi-Cash will remain at least a 71.59 per cent.<sup>6</sup> - owned subsidiary<sup>7</sup> of Aspial and its financial results will continue to be consolidated to the Aspial Group's financials. Therefore, the Aspial Group and its shareholders will be able to continue to participate in the growth prospects of the Maxi-Cash Group, thereby enhancing shareholders' value.*

**4.4** *Upon completion of the Proposed Sale and Re-organisation, Aspial will continue to be principally engaged in its diversified portfolio of businesses including local retail jewellery (through the management of Maxi-Cash)<sup>8</sup>, real estate, financial services, and other investments (including the hospitality business through its associate, AF Global Limited). Further, given that the completion of the Proposed Sale and Re-organisation is expected to result in Aspial increasing its equity interest in Maxi-Cash, the Board is of the view that the Proposed Sale and Re-organisation will be in the best interests of the Aspial Group and the Shareholders."*

#### **4.4 Use of Proceeds**

The Company intends to utilise the proceeds of the Proposed Sale and Re-organisation for general working capital purposes.

### **5. EVALUATION OF THE PROPOSED SALE AND RE-ORGANISATION**

In our evaluation of the Proposed Sale and Re-organisation, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

- (a) the historical financial performance of the Target Group;
- (b) the Independent Valuation of the Target Group;

---

<sup>4</sup> "As at the Latest Practicable Date.

<sup>5</sup> For the avoidance of doubt, immediately post-Closing of the Proposed Sale and Re-organisation, the Target Group's retail presence will come under the Maxi-Cash Group and there will be no overall increase in the Aspial Group's retail presence.

<sup>6</sup> The figures are computed based on the issued and paid-up share capital of 1,414,509,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date; (b) 311,656,441 Base Consideration Shares; and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

<sup>7</sup> Based on the total Consideration (assuming the Earn-out Consideration is paid in full).

<sup>8</sup> Aspial's jewellery business currently comprises its (a) local jewellery business segment comprising the "Lee Hwa" and "Goldheart" brands which are only sold in Singapore and (b) overseas jewellery business segment comprising the "Niessing" brand, an internationally-renowned German jewellery house which is sold internationally through the "Niessing" group's global retail network located in Germany, Switzerland, Hong Kong, Japan, Australia and Singapore. After the Proposed Sale and Re-organisation, and as set out in the illustrative structure charts in Appendix C to this Circular, Aspial will continue to hold the "Niessing" brand, under its overseas jewellery business segment, but will be principally engaged in the local jewellery business through Maxi-Cash such that the local retail jewellery business of Aspial will be consolidated under the management of Maxi-Cash. The management and operations of Niessing, including the manufacturing, conceptualising, designing and branding, are based in Germany and are separate from that of the Target Group."



- (c) the net asset value (“**NAV**”), NTA and revalued net asset value (“**RNAV**”) of the Target Group;
- (d) valuation ratios of selected companies listed on various stock exchanges, including the SGX-ST, the Hong Kong Exchanges and Clearing Limited (“**HKEx**”) and/or Bursa Malaysia Berhad (“**KLSE**”) (collectively, the “**Selected Stock Exchanges**”) which principal business activities are broadly comparable to those of the Target Group in the region;
- (e) the assessment of the Issue Price:
  - (i) historical market price performance and trading activity of the Maxi-Cash Shares;
  - (ii) NAV, NTA and RNAV of the Maxi-Cash Group;
  - (iii) historical trailing P/NAV multiples of the Maxi-Cash Shares; and
  - (iv) the valuation ratios of selected companies listed on the Selected Stock Exchanges which principal business activities are broadly comparable to those of the Maxi-Cash Group;
- (f) the pro forma financial effects of the Proposed Sale and Re-organisation; and
- (g) other relevant considerations.

In respect of our evaluation, where relevant, we have adopted a prudent approach where we have also taken into account the Base Consideration in our evaluation.

## 5.1 Historical financial performance of the Target Group

A summary of the unaudited financial performance of the Target Group for the last three (3) financial years ended 31 December (“**FY**”) 2019, 2020 and 2021, as well as the half year period ended 30 June 2022 (“**HY2022**”) and its comparative figures for the half year period ended 30 June 2021 (“**HY2021**”) (collectively, the “**Period Under Review**”) is set out below:

### Combined income statement

<b>S\$'000</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>HY2021</b>	<b>HY2022</b>
Revenue	87,394	67,756	106,906	49,261	60,693
Profit / (Loss) before tax	(509)	3,219	14,320	6,182	7,810
Profit / (Loss) for the year	(851)	3,140	12,547	5,728	6,477

### Statement of financial position

<b>S\$'000</b>	<b>As at 31 December 2019</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2021</b>	<b>As at 30 June 2022</b>
Current assets	74,285	82,045	100,848	84,655
Current liabilities	64,523	44,863	52,494	55,094
Working capital	9,762	37,182	48,354	29,561
Non-current assets	67,867	45,602	46,555	42,586
Non-current liabilities	37,730	29,743	29,320	23,710
Total equity	39,899	53,041	65,589	48,437



### Combined cash flow statement

<b>S\$'000</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>HY2021</b>	<b>HY2022</b>
Net cash flows generated from operating activities	28,930	13,874	10,612	21,283	7,832
Net cash flows (used in) / generated from investing activities	(16,903)	(16,129)	(1,377)	858	(2,621)
Net cash flows (used in) / generated from financing activities	(10,439)	3,279	(9,879)	(25,088)	(8,306)
Net increase / (decrease) in cash and cash equivalents	1,588	1,024	(644)	(2,947)	(3,095)
Cash and cash equivalents at end of the financial period	4,619	5,643	4,998	2,696	1,903

**Source:** Unaudited combined management accounts of the Target Group for FY2019, FY2020, FY2021, HY2021 and HY2022.

In relation to the Period Under Review, we note the following:

### Combined income statement

#### FY2019 vs FY2020

The Target Group's revenue decreased by approximately S\$19.63 million or 22.46% from approximately S\$87.39 million in FY2019 to approximately S\$67.76 million in FY2020. This was mainly due to the temporary closure of retail outlets in Singapore during the circuit breaker period.

The Target Group recorded a loss before tax of approximately S\$0.51 million in FY2019 vis-à-vis a profit before tax of approximately S\$3.22 million in FY2020. Notwithstanding the decrease in revenue, the increase in profit before tax in FY2020 was mainly due to the decrease in (i) materials costs of approximately S\$10.51 million which was in line with the decrease in revenue, (ii) employee benefits of approximately S\$2.17 million which was mainly due to lower staff costs following the temporary closure of the retail outlets during the circuit breaker period in Singapore, (iii) finance costs of approximately S\$0.61 million, and (iv) other operating expenses of approximately S\$4.46 million mainly due to lower rental expenses arising from the adoption of Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 16 Leases, and the increase in other operating income of approximately S\$8.00 million mainly attributable to rental rebates and government grants from the Jobs Support Scheme. These were partially offset by the increase in depreciation and amortisation expenses of approximately S\$2.61 million mainly attributable to the right-of-use assets, arising from adoption of SFRS(I) 16 Leases.

Taking into account the income tax expenses, the Target Group incurred a net loss of approximately S\$0.85 million in FY2019 and achieved a net profit of approximately S\$3.14 million in FY2020.

#### FY2020 vs FY2021

The Target Group's revenue increased by approximately S\$39.15 million or 57.78% from approximately S\$67.76 million in FY2020 to approximately S\$106.91 million in FY2021. This was mainly due to higher sales arising from the easing of the COVID-19 restrictions in Singapore.

The Target Group's profit before tax increased by approximately S\$11.10 million or 344.72% from S\$3.22 million in FY2020 to S\$14.32 million in FY2021. This was mainly due to the increase in gross profits of approximately S\$16.34 million, the decrease in (i) depreciation and amortisation expenses of approximately S\$1.49 million mainly attributable to a decrease in depreciation for rights-of-use assets, and (ii) finance costs of approximately S\$0.71 million mainly due to lower interest expenses from lease liabilities and lower interest rate from bank loans in FY2021, which were partially offset by the increase in (i) employee benefits expenses of approximately S\$1.95 million, and (ii) other operating expenses of approximately S\$2.62 million mainly due to higher sales and marketing costs, and the decrease in other operating income of approximately S\$2.92 million mainly due to lower rental rebates and government grants from the Jobs Support Scheme.

Taking into account the income tax expenses, the net profit of the Target Group increased by approximately S\$9.41 million or 299.68% from S\$3.14 million in FY2020 to S\$12.55 million in FY2021.

#### HY2021 vs HY2022

The Target Group's revenue increased by approximately S\$11.43 million or 23.20% from approximately S\$49.26 million in HY2021 to approximately S\$60.69 million in HY2022. This was mainly due to higher sales in HY2022.

The Target Group's profit before tax increased by approximately S\$1.63 million or 26.38% from S\$6.18 million in HY2021 to S\$7.81 million in HY2022. This was mainly due to the increase in gross profits of approximately S\$5.60 million, the increase in share of results of approximately S\$0.07 million, and the decrease in finance costs of approximately S\$0.02 million, which were partially offset by the increase in (i) employee benefits of approximately S\$0.58 million, (ii) depreciation and amortisation expenses of approximately S\$0.07 million, and (iii) other operating expenses of approximately S\$1.55 million mainly due to higher sales and marketing costs and corporate charges, as well as the decrease in other operating income of approximately S\$1.86 million.

Taking into account the income tax expenses, the net profit of the Target Group increased by approximately S\$0.75 million or 13.09% from S\$5.73 million in HY2021 to S\$6.48 million in HY2022.

#### Statement of financial position

**Current assets:** As at 30 June 2022, current assets amounted to approximately S\$84.66 million, representing approximately 66.53% of the total assets of the Target Group. The current assets mainly comprised (i) cash and cash equivalents of approximately S\$1.90 million, (ii) trade receivables of approximately S\$0.15 million; (iii) inventories of approximately S\$58.59 million; (iv) other receivables of approximately S\$1.49 million; (v) amount due from intercompanies (which refers to the Company and other entities within the Aspiat Group) of approximately S\$21.80 million; and (vi) prepayments of approximately S\$0.73 million.

**Current liabilities:** As at 30 June 2022, current liabilities amounted to approximately S\$55.10 million, representing approximately 69.91% of the total liabilities of the Target Group. The current liabilities mainly comprised (i) lease liabilities of approximately S\$10.97 million; (ii) loans and borrowings of approximately S\$25.66 million; (iii) trade payables of approximately S\$9.44 million; (iv) other payables of approximately S\$5.90 million; (v) amount due to intercompanies of approximately S\$0.70 million; and (vi) provision for taxation of approximately S\$2.43 million.

**Non-current assets:** As at 30 June 2022, non-current assets amounted to approximately S\$42.58 million, representing approximately 33.47% of the total assets of the Target Group. The non-current assets mainly comprised (i) property, plant and equipment of approximately S\$4.62 million; (ii) intangible assets of approximately S\$3.45 million; (iii) investment in joint venture of approximately S\$1.51 million; (iv) right-of-use assets of approximately S\$31.05 million; (v) other receivables of approximately S\$1.69 million; and (vi) deferred tax assets of approximately S\$0.26 million.

**Non-current liabilities:** As at 30 June 2022, non-current liabilities amounted to approximately S\$23.71 million, representing approximately 30.09% of the total liabilities of the Target Group. The non-current liabilities mainly comprised of (i) lease liabilities of approximately S\$20.95 million; (ii) loans and borrowings of approximately S\$2.73 million; and (iii) deferred tax liabilities of approximately S\$0.03 million.

**Working capital:** As at 30 June 2022, the Target Group had recorded a positive working capital position of approximately S\$29.56 million.

### **Combined cash flow statement**

The Target Group recorded net cash generated from operating activities of approximately S\$28.93 million, S\$13.87 million, S\$10.61 million, S\$21.28 million and S\$7.83 million during FY2019, FY2020, FY2021, HY2021 and HY2022 respectively.

The net cash flow generated from operating activities of approximately S\$28.93 million in FY2019 was primarily due to the operating cash flows before movements in working capital of approximately S\$14.31 million (which had adjusted for, *inter alia*, depreciation of approximately S\$11.89 million, arising mainly from the adoption of the new SFRS(I) 16 *Leases* in FY2019), an increase in working capital of approximately S\$16.98 million, and interest and income tax paid of approximately S\$2.36 million. The increase in working capital was mainly attributable to a decrease in (i) inventories of approximately S\$11.14 million, (ii) amount due from intercompanies of approximately S\$3.42 million, and (iii) trade and other receivables of approximately S\$0.28 million, and an increase of trade and other payables by approximately S\$2.13 million.

The net cash generated from operating activities of approximately S\$13.87 million in FY2020 was primarily due to the operating cash flows before movements in working capital of approximately S\$19.61 million, a decrease in working capital of approximately S\$5.06 million, and interest and income tax paid of approximately S\$0.67 million. The decrease in working capital was mainly attributable to an increase in amount due from intercompanies of approximately S\$12.47 million, and partially offset by a decrease in (i) trade and other receivables of approximately S\$0.31 million, (ii) inventories of approximately S\$6.43 million, and (iii) prepayment of approximately S\$0.04 million, and an increase in trade and other payables of approximately S\$0.63 million.

The net cash generated from operating activities of approximately S\$10.61 million in FY2021 was primarily due to the operating cash flows before movements in working capital of approximately S\$28.26 million, a decrease in working capital of approximately S\$17.21 million, and interest and income tax paid of approximately S\$0.43 million. The decrease in working capital was mainly attributable to an increase in (i) amount due from intercompanies of approximately S\$15.00 million, (ii) inventories of approximately S\$5.57 million, and (iii) prepayment of approximately S\$0.15 million, and partially offset by a decrease in trade and other receivables of approximately S\$1.50 million and an increase in trade and other payables of approximately S\$2.00 million.

The net cash generated from operating activities of approximately S\$7.83 million in HY2022 was primarily due to the operating cash flows before movements in working capital of approximately S\$14.76 million, a decrease in working capital of approximately S\$6.27 million and interest and income tax paid of approximately S\$0.66 million. The decrease in working capital was mainly attributable to an increase in (i) inventories of approximately S\$3.51 million, (ii) trade and other receivables of approximately S\$0.42 million, (iii) amount due from intercompanies of S\$5.20 million and (iv) prepayment of approximately S\$0.39 million, which were partially offset by an increase in trade and other payables of approximately S\$3.25 million.

Taking into account (a) the cash and cash equivalents at the beginning of HY2022 of approximately S\$5.00 million, and (b) the net decrease in cash and cash equivalents of approximately S\$3.10 million, the Target Group's cash and cash equivalents as at 30 June 2022 stand at approximately S\$1.90 million.

## 5.2 Independent Valuation of the Target Group

For the purpose of the Proposed Sale and Re-organisation, we note that the Company had commissioned the Independent Valuer to undertake the Independent Valuation as at 31 March 2022. A summary letter of the Valuation Report is attached as Appendix B to the Circular.

### Basis of Independent Valuation

As set out in the Valuation Report, the Independent Valuer had conducted its valuation on the basis of “Market Value” which is defined as:

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

The Independent Valuation and the Valuation Report have been prepared in accordance with the International Valuation Standards (2020) issued by the International Valuation Standards Council.

### Valuation approach

As set out in the Valuation Report, the methods commonly used to develop approximate indications of value for a business or asset are the income, market and cost approach. The Independent Valuer had assessed and ascertained the equity value of 100% equity interest of the Target Group (the “**Market Value**”) based on the income approach as the primary method and market approach as a reference. The rationale for adopting the income approach lies in the value proposition of the operating business which is primarily income driven, underpinned by the prospects of manufacturing, retailing and trading of jewellery. The Independent Valuer had used a discounted cash flow (“**DCF**”) methodology to estimate the forecast free cash flow to firm (“**FCFF**”), which represents the cash generated for the firm after accounting for all expenses, taxes, changes in net working capital and capital expenditure, and adjusting for non-cash expenses such as depreciation, to assess the overall terminal value (“**TV**”) of the Target Group based on the following formula and subsequently derive the enterprise value by adding back the net present value of free cash flow in forecast period:

$$TV = FCFF \text{ in final year of forecast period} \times (1 + \text{long-term growth rate}) / (\text{discount rate} - \text{long term growth rate})$$

The Independent Valuer had subsequently, among others, less off loans and borrowings from the enterprise value and added the excess cash, investment in joint venture and net amount due from intercompanies held by the Target Group to derive the equity value. This allowed the Independent Valuer to estimate the Market Value under a set of reasonable and robust assumptions.

We note that the basis of the DCF analysis was formed by the financial projections for the financial period from 1 April 2022 to 31 December 2022, as well as FY2023 to FY2026. We further note that, in respect of the Target Group’s investment in joint venture (which relates to ALHJS’ 50% equity interest held in ACU), the Independent Valuer had derived the equity value of the investment in joint venture as at 31 March 2022 by using the revised net asset value method under the cost approach, as ACU had minimal business operations and was established for the purpose of holding a five-storey building (the “**Property**”). Based on a property valuation report commissioned by the Company on the Property, the Independent Valuer had adjusted the net asset value of ACU to reflect the market value of the Property (which had been recorded at cost on the statement of financial position of ACU), resulting in the net asset value of ACU increasing by approximately S\$10.15 million as at 31 March 2022. As ACU is 50%-owned by ALHJS, the investment in joint venture has been re-valued upwards by approximately S\$5.07 million as at 31 March 2022.

Based on the DCF method, the Market Value range as at 31 March 2022 is estimated at S\$87.00 million to S\$99.50 million. Accordingly, the Base Consideration is at an excess of S\$0.80 million to the lower range of the Market Value, and the Consideration is at an excess of S\$0.30 million to the upper range of the Market Value.

The market approach using the enterprise value to earnings before interest, tax, depreciation and amortisation (“**EV/EBITDA**”) multiple was applied by the Independent Valuer as the secondary approach to cross check the value range derived by the DCF method, as the EV/EBITDA multiple takes into account the capital structure differences of the peer group companies. For illustrative purposes only, we note that the equity value based on market approach (the “**Reference Value**”), having regard to the comparable companies EV/EBITDA multiples as computed by the Independent Valuer, is between approximately S\$74.30 million to S\$153.60 million. On this basis, the Base Consideration would be at an excess of S\$13.50 million to the lower range of the Reference Value and the Consideration would be at a shortage of S\$53.80 million to the upper range of the Reference Value.

We note that, save for the revaluation of ACU which has an asset-heavy nature, the cost approach was not adopted by the Independent Valuer because the value of the Target Group is dependent on the earning capability of the operating business of the Target Group rather than its current assets and liabilities.

As part of the Independent Valuation, we note that the Independent Valuer has also conducted, among others, an analysis of the economic outlook in Singapore and the luxury jewellery industry in Singapore and associated challenges, as well as a brief analysis of the historical results of the Target Group.

We have also considered the assumptions used in the Valuation Report and further note that the Directors and Management have confirmed that they have made due enquires with respect to the assumptions and projections underlying the financial forecasts of the Target Group prepared by the Independent Valuer in respect of the Independent Valuation.

**We recommend that the Non-Interested Directors should advise the Shareholders who are deemed independent of the Proposed Sale and Re-organisation (the “Independent Shareholders”) to read the Valuation Report, as well as the aforementioned summary letter of the Valuation Report in its entirety as set out in Appendix B to the Circular carefully, in particular but not limited to the valuation methodology, assumptions and limiting conditions.**

#### Valuation comparison

Solely for illustrative purposes only, we note that Maxi-Cash had commissioned RSM Corporate Advisory Pte. Ltd. (“**RSM**”) to conduct a valuation of the Target Group, and RSM had estimated the Market Value as at 31 March 2022 to be between S\$98.40 million to S\$115.60 million. The combined estimated range of the Market Value would be between S\$87.00 million to S\$115.60 million (“**Combined Market Value**”). The Base Consideration and the Consideration are within the range of the Combined Market Value.

### **5.3 NAV and NTA of the Target Group**

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all liabilities. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the NAV of a group is perceived as providing support for the value of the shareholders’ equity.

Notwithstanding the foregoing, Shareholders should note that the analysis based on the NAV of the Target Group provides an estimate of the value of the Target Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

A summary of the financial position of the Target Group as at 30 June 2022 is set out below:

<b>(S\$'000)</b>	<b>Unaudited As at 30 June 2022</b>
<u>Non-current assets</u>	
Property, plant and equipment	4,616
Intangible assets	3,454
Investment in joint venture	1,513
Right-of-use assets	31,052
Other receivables	1,689
Deferred tax assets	262
<b>Total non-current assets</b>	<b>42,586</b>
<u>Current assets</u>	
Inventories	58,587
Cash and cash equivalents	1,903
Trade receivables	151
Other receivables	1,488
Amount due from intercompanies	21,800
Prepayments	726
<b>Total current assets</b>	<b>84,655</b>
<b>Total assets</b>	<b>127,241</b>
<u>Non-current liabilities</u>	
Lease liabilities	20,955
Loans and borrowings	2,728
Deferred tax liabilities	27
<b>Total non-current liabilities</b>	<b>23,710</b>
<u>Current liabilities</u>	
Lease liabilities	10,965
Loans and borrowings	25,660
Trade payables	9,435
Other payables	5,902
Amount due to intercompanies	704
Provision for taxation	2,428
<b>Total current liabilities</b>	<b>55,094</b>
<b>Total liabilities</b>	<b>78,804</b>
Share capital	45,001
Retained earnings	3,436
<b>Total equity</b>	<b>48,437</b>



<b>(S\$'000)</b>	<b>Unaudited As at 30 June 2022</b>
<b>Equity attributable to owners of the Target Group</b>	<b>48,437</b>
<b>NAV</b>	<b>48,437</b>
<b>NTA<sup>(1)</sup></b>	<b>44,748</b>
<b>Premium of Base Consideration to NAV</b>	<b>81.27%</b>
<b>Premium of Base Consideration to NTA</b>	<b>96.21%</b>
<b>Premium of Consideration to NAV</b>	<b>106.04%</b>
<b>Premium of Consideration to NTA</b>	<b>123.03%</b>

*Source: Unaudited combined management accounts of the Target Group for HY2022*

**Note:**

(1) Computed based on NAV of the Target Group, net of intangible assets and net deferred tax assets.

The Target Group recorded a NAV and NTA of approximately S\$48.44 million and S\$44.75 million as at 30 June 2022 respectively. As set out in the table above, we note that (i) the Base Consideration represents a premium of approximately 81.27% and 96.21% to the NAV and NTA of the Target Group as at 31 December 2021 respectively; and (ii) the Consideration represents a premium of approximately 106.04% and 123.03% to the NAV and NTA of the Target Group as at 30 June 2022 respectively.

#### **5.4 RNAV of the Target Group**

In our evaluation of the Proposed Sale and Re-organisation, we have also considered whether there are any other assets which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Target Group as at 30 June 2022 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Target Group that are likely to impact the NAV and NTA of the Target Group as at 30 June 2022.

As mentioned in paragraph 5.2 of this Letter, we note that the Independent Valuer had adjusted the net asset value of ACU to reflect the market value of the Property. We further note from the Valuation Report that the market value of the Property as at 31 March 2022 amounted to approximately S\$52.80 million. Comparatively, the net book value of the Property recorded in the statement of financial position of ACU as at 30 June 2022 was S\$42.34 million. In view that ALHJS holds 50% of ACU, the investment in joint venture as at 30 June 2022 would increase by approximately S\$5.23 million.

Accordingly, solely for illustrative purposes, taking into account the above, the estimated RNAV of the Target Group as at 30 June 2022 is computed as follows:

	<b>(S\$'000)</b>
<b>Unaudited NAV of the Target Group as at 30 June 2022</b>	<b>48,437</b>
Add: net revaluation surplus arising from the independent valuation of the Property held by ACU	5,230
<b>RNAV of the Target Group as at 30 June 2022</b>	<b>53,667</b>
<b>Premium of Base Consideration to RNAV</b>	<b>63.60%</b>
<b>Premium of Consideration to RNAV</b>	<b>85.96%</b>

With reference to the RNAV, we note that the Base Consideration and Consideration represents a premium of 63.60% and 85.96% to the RNAV of the Target Group as at 30 June 2022 respectively.

In respect of the above, the Directors have also confirmed, to the best of their knowledge and belief as at the Latest Practicable Date, that:

- (i) Save as disclosed in paragraph 5.4 above, there are no material differences between the realisable values of the Target Group's assets and their respective book values as at 30 June 2022 which would have a material impact on the unaudited combined NAV and NTA of the Target Group;
- (ii) they are not aware of any circumstances which may cause the unaudited combined NAV and NTA as at the Latest Practicable Date to be materially different from that recorded in the unaudited combined statement of financial position of the Target Group as at 30 June 2022;
- (iii) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the unaudited combined NAV and NTA of the Target Group as at the Latest Practicable Date;
- (iv) there are no litigation, claim or proceedings pending or threatened against the Company or the Target Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Target Group;
- (v) there are no other intangible assets which ought to be disclosed in the unaudited combined statement of financial position of the Target Group in accordance with the SFRS(I) and which have not been so disclosed, and that would have had a material impact on the overall financial position of the Target Group as at 30 June 2022; and
- (vi) there are no material acquisitions or disposals of assets by the Target Group between 30 June 2022 and the Latest Practicable Date and, save for the Proposed Sale and Re-organisation, the Aspiat Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Target Group's material assets or material change in the nature of the Target Group's business.

## **5.5 Valuation ratios of selected companies which principal business activities are broadly comparable to those of the Target Group**

As mentioned in paragraph 3.2 of this Letter, the Target Group is principally engaged in the manufacture and sale of jewellery ("**Jewellery Business**") in Singapore.

In our evaluation of the Proposed Sale and Re-organisation, we have made reference to the valuation ratios of selected companies listed on the Selected Stock Exchanges which are primarily engaged in the Jewellery Business in the region (the "**Target Group Comparable Companies**"), which we consider to be broadly comparable to the principal business of the Target Group to obtain an indication of the current market expectations with regard to the perceived valuation of the Target Group.

We wish to highlight that the Target Group Comparable Companies are not exhaustive and we recognise that there is no company listed on the Selected Stock Exchanges which is identical to the Target Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. In addition, each of the Target Group Comparable Companies may engage in other separate business activities which are not related to the Jewellery Business. Shareholders should note that any comparison made with respect to the Target Group Comparable Companies merely serves to provide an illustrative perceived market valuation of the Target Group as at the Latest Practicable Date.

A brief description of the Target Group Comparable Companies is as follows:

<b>Comparable Companies / Country (Region) of listing</b>	<b>Business description</b>	<b>Financial year-end</b>
Taka Jewellery Holdings Limited (" <b>Taka Jewellery</b> ") / Singapore	Taka Jewellery is principally engaged in the wholesale and retail of jewellery, pawn broking and secured moneylending.	30 June
Tomei Consolidated Berhad (" <b>Tomei</b> ") / Malaysia	Tomei is principally engaged in the manufacture, wholesale and retail of gold ornaments and jewellery.	31 December
Poh Kong Holdings Berhad (" <b>Poh Kong</b> ") / Malaysia	Poh Kong is principally engaged in the manufacturing and dealing of jewellery, precious stones and gold ornaments, and the supply and retail of gold ornaments, jewellery, precious stones and gold bullion.	31 July
Niche Capital Emas Holdings Berhad (" <b>Niche Capital</b> ") / Malaysia	Niche Capital is principally engaged in the sale of jewellery products, precious stones and precious metals as well as construction and infrastructure works activities at mining areas.	30 June
Chow Sang Sang Holdings International Ltd. (" <b>Chow Sang Sang</b> ") / Hong Kong	Chow Sang Sang is principally engaged in the retail of jewellery and watches, wholesale of precious metals and e-commerce jewellery trading.	31 December
Tse Sui Luen Jewellery (International) Limited (" <b>Tse Sui Luen</b> ") / Hong Kong	Tse Sui Luen is principally engaged in the retail, wholesale and e-business of jewellery products.	31 March
Luk Fook Holdings (International) Limited (" <b>Luk Fook</b> ") / Hong Kong	Luk Fook is principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery, and gem-set jewellery.	31 March
Perfect Group International Holdings Limited (" <b>Perfect Group</b> ") / Hong Kong	Perfect Group is principally engaged in the manufacturing and sale of jewellery products business and the investment in, development, sale and rental of properties.	31 December
Continental Holdings Limited (" <b>Continental</b> ") / Hong Kong	Continental is principally engaged in jewellery business, property investment and development, and mining operations.	30 June
King Fook Holdings Limited (" <b>King Fook</b> ") / Hong Kong	King Fook is principally engaged in retail, bullion trading and diamond wholesaling.	31 March
China Environmental Energy Investment Limited (" <b>CEEI</b> ") / Hong Kong	China Environmental is principally engaged in the design, manufacturing and marketing of jewellery, and money lending.	31 March
Affluent Partners Holdings Ltd. (" <b>Affluent Partners</b> ") / Hong Kong	Affluent Partners is principally engaged in (i) the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and (ii) the operation of strategic investment and financial services segment.	31 March
Chong Fai Jewellery Group Holdings Company Ltd. (" <b>Chong Fai</b> ") / Hong Kong	Chong Fai is principally engaged in the retail and wholesale of jewellery products.	31 March

**Source:** Thomson Reuters Eikon and the Target Group Comparable Companies' annual reports

In our evaluation, we have adopted the following valuation measures:

Valuation ratios	General description
Price-earnings (“ <b>P/E</b> ”) or latest twelve-month (“ <b>LTM</b> ”) price-earnings (“ <b>LTM P/E</b> ”) ratio	<p>The P/E ratio or the LTM P/E ratio illustrates the ratio of the market capitalisation of a company in relation to its historical consolidated full-year or LTM (as the case may be) net profit attributable to its shareholders. As such, it is affected by a company’s capital structure, tax position and accounting policies relating to depreciation and intangible assets.</p> <p>We have considered the P/E ratio or LTM P/E ratios of the comparable companies based on their respective market capitalisations on the Latest Practicable Date and their latest full-year or LTM (as the case may be) net profit attributable to shareholders.</p>
Enterprise value-to-earnings before interest, taxes, depreciation and amortisation (“ <b>EV/EBITDA</b> ”) or latest twelve-month EV/EBITDA (“ <b>LTM EV/EBITDA</b> ”) ratio	<p>EV refers to enterprise value, which is the sum of a company’s market capitalisation, preferred equity, non-controlling interests, short-term, long-term debts and lease liabilities less its cash and cash equivalents.</p> <p>EBITDA or LTM EBITDA refers to the historical consolidated full-year or LTM (as the case may be) earnings before interest, taxes, depreciation and amortisation.</p> <p>The EV/EBITDA ratio or LTM EV/EBITDA ratio illustrates the ratio of the market value of a company’s business in relation to its historical pre-tax operating cash flow performance.</p> <p>The EV/EBITDA ratio or LTM EV/EBITDA ratio is an earnings-based valuation methodology. The difference between the EV/EBITDA ratio or LTM EV/EBITDA ratio and the P/E or LTM P/E ratio (described above) is that the former does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.</p> <p>We have considered the EV/EBITDA ratios or LTM EV/EBITDA ratios of the comparable companies based on their respective market capitalisations on the Latest Practicable Date, latest-available balance sheet values and latest full-year or LTM (as the case may be) EBITDA.</p>
P/NAV ratio or P/NTA ratio	<p>P/NAV refers to the ratio of the market capitalisation of a company in relation to its NAV. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company.</p> <p>P/NTA refers to the ratio of the market capitalisation of a company in relation to its NTA. The P/NTA ratio is also an asset-based relative valuation which takes into consideration the book value or NAV backing of a company, net of intangible assets and net deferred tax assets of a company.</p> <p>The NAV and/or NTA of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets or net tangible assets of the company.</p> <p>We have considered the P/NAV ratios and P/NTA ratios of the comparable companies based on their respective market capitalisations on the Latest Practicable Date and their latest-available NAV and/or NTA.</p>

The valuation ratios of the Target Group Comparable Companies based on their last transacted share prices as at the Latest Practicable Date are set out as below:

Comparable Companies	Market Capitalisation <sup>(1)</sup> (million)	LTM P/E (times)	LTM EV/EBITDA (times)	P/NAV (times)	P/NTA (times)
Taka Jewellery	S\$35.80	6.09	4.77	0.32	0.33
Tomei	RM139.99 (approx. S\$43.63)	2.36	3.18	0.45	0.45
Poh Kong	RM305.71 (approx. S\$95.29)	6.23	4.22	0.46	0.46
Niche Capital	RM114.08 (approx. S\$35.56)	n.a. <sup>(2)</sup>	n.a. <sup>(2)</sup>	2.08	2.08
Chow Sang Sang	HK\$6,049.49 (approx. S\$1,074.39)	8.79	5.18	0.49	0.47
Tse Sui Luen	HK\$284.07 (approx. S\$50.45)	18.27	4.11	0.27	0.27
Luk Fook	HK\$11,683.45 (approx. S\$2,074.98)	8.39	4.89	0.97	0.97
Perfect Group	HK\$305.10 (approx. S\$54.19)	7.63	3.63	0.46	0.44
Continental	HK\$184.44 (approx. S\$32.76)	10.28	34.11 <sup>(3)</sup>	0.08	0.10
King Fook	HK\$350.89 (approx. S\$62.32)	5.84	1.90	0.50	0.50
CEEI	HK\$76.39 (approx. S\$13.57)	126.47 <sup>(3)</sup>	24.36 <sup>(3)</sup>	0.20	0.21
Affluent Partners	HK\$127.86 (approx. S\$22.71)	n.a. <sup>(2)</sup>	n.a. <sup>(2)</sup>	3.56	3.56
Chong Fai	HK\$37.50 (approx. S\$6.66)	n.a. <sup>(2)</sup>	12.20 <sup>(3)</sup>	0.51	0.55
<b>High</b>		<b>18.27</b>	<b>5.18</b>	<b>3.56</b>	<b>3.56</b>
<b>Mean</b>		<b>8.21</b>	<b>3.98</b>	<b>0.80</b>	<b>0.80</b>
<b>Median</b>		<b>7.63</b>	<b>4.16</b>	<b>0.46</b>	<b>0.46</b>
<b>Low</b>		<b>2.36</b>	<b>1.90</b>	<b>0.08</b>	<b>0.10</b>

<b>Target Group</b>	<b>S\$87.80<sup>(4)</sup></b>	<b>6.60</b>	<b>4.79</b>	<b>1.81<sup>(6)</sup></b> (P/NAV)	<b>1.96</b>
				<b>1.64<sup>(7)</sup></b> (P/RNAV)	
	<b>S\$99.80<sup>(5)</sup></b>	<b>7.51</b>	<b>5.18</b>	<b>2.06<sup>(6)</sup></b> (P/NAV)	<b>2.23</b>
				<b>1.86<sup>(7)</sup></b> (P/RNAV)	

**Source:** Thomson Reuters Eikon, annual reports and results announcements of the Target Group Comparable Companies and NCF's calculations

**Notes:**

- (1) The market capitalisation of each Target Group Comparable Companies is reported in the respective currency in which their shares are being traded as at the Latest Practicable Date, as well as in Singapore dollars based on the respective exchange rates as at the Latest Practicable Date, as extracted from Thomson Reuters Eikon.

- (2) Denotes “not applicable” as the respective Target Group Comparable Companies recorded LTM net losses attributable to owners of the company and/or negative LTM EBITDA, as the case may be.
- (3) Excluded as statistical outliers in high, low, mean and median computations.
- (4) Based on the Base Consideration.
- (5) Based on the Consideration.
- (6) Based on the NAV of the Target Group of approximately S\$48.44 million as at 30 June 2022.
- (7) Based on the RNAV of the Target Group of approximately S\$53.67 million as at 30 June 2022.

Our observations are set out as follows:

- (a) The LTM P/E ratio (as implied by the Base Consideration) of the Target Group of 6.60 times and the LTM P/E ratio (as implied by the Consideration) of the Target Group of 7.51 times are within the range of LTM P/E ratios of the Target Group Comparable Companies of between 2.36 times and 18.27 times, but below the mean and median ratios of the Target Group Comparable Companies of 8.21 times and 7.63 times respectively;
- (b) The LTM EV/EBITDA ratio (as implied by the Base Consideration) of the Target Group of 4.79 times and the LTM EV/EBITDA (as implied by the Consideration) of 5.18 times are within the range of LTM EV/EBITDA ratios of the Target Group Comparable Companies of between 1.90 times and 5.18 times, and above the mean and median ratios of the Target Group Comparable Companies of 3.98 times and 4.16 times respectively;
- (c) The P/NAV ratio (as implied by the Base Consideration) of the Target Group of 1.81 times and the P/NAV ratio (as implied by the Consideration) of the Target Group of 2.06 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively;
- (d) The P/RNAV ratio (as implied by the Base Consideration) of the Target Group of 1.64 times and the P/RNAV ratio (as implied by the Consideration) of the Target Group of 1.86 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively; and
- (e) The P/NTA ratio (as implied by the Base Consideration) of the Target Group of 1.96 times and the P/NTA ratio (as implied by the Consideration) of the Target Group of 2.23 times are within the range of P/NTA ratios of the Target Group Comparable Companies of between 0.10 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively.

## 5.6 Assessment of the Issue Price

We note that the Issue Price is based on the volume-weighted average price of the Maxi-Cash Shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the Maxi-Cash Shares were recorded.

### 5.6.1 Historical market price performance and trading activity of the Maxi-Cash Shares

We have compared the Issue Price to the daily closing prices of the Maxi-Cash Shares for the one-year period between 8 July 2021 and 7 July 2022 (the “**Last Trading Day**”), being the last traded market day immediately prior to the release of the announcement on the Proposed Sale and Re-organisation (the “**Announcement**”) after trading hours on 7 July 2022. We have also marked certain dates in the aforesaid one-year period where significant events occurred.



### Daily closing prices and daily trading volumes of the Maxi-Cash Shares for the one-year period prior to and including the Last Trading Day



**Source:** Thomson Reuters Eikon and Maxi-Cash's announcements on the SGXNet

#### Earnings announcements:

- E1. 6 August 2021:** Maxi-Cash announced its unaudited financial statements for the half year ended 30 June 2021 ("6M2021") in which the Maxi-Cash Group's net profit after tax decreased by approximately S\$2.08 million or 20.51% from approximately S\$10.14 million for the half year ended 30 June 2020 to approximately S\$8.06 million in 6M2021. Maxi-Cash also declared interim tax exempt (one-tier) dividend of 0.65 Singapore cents per ordinary share for FY2021.
- E2. 24 February 2022:** Maxi-Cash announced its unaudited financial statements for FY2021 in which the Maxi-Cash Group's net profit after tax decreased by approximately S\$14.85 million or 50.53% from approximately S\$29.39 million for FY2020 to approximately S\$14.54 million in FY2021. Maxi-Cash also declared interim tax exempt (one-tier) dividend of 0.60 Singapore cents per ordinary share for FY2021.

#### Other significant announcements:

- A1. 6 December 2021:** Maxi-Cash announced that it had on 6 December 2021 entered into a placement agreement (the "**Placement Agreement**") with SAC Capital Private Limited (the "**Placement Agent**"). Pursuant to the Placement Agreement, Maxi-Cash had agreed to offer, by way of placement, and the Placement Agent had agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 32,000,000 fully paid-up ordinary shares in the capital of Maxi-Cash (the "**Placement Shares**") at an issue price of S\$0.1620 for each Placement Share, amounting to an aggregate consideration of up to S\$5,184,000 (the "**Placement**"). Maxi-Cash subsequently announced the receipt of listing and quotation notice from the SGX-ST and the completion of the Placement on 9 December 2021 and 13 December 2021 respectively.
- A2. 3 January 2022:** Maxi-Cash announced that it had issued an updated information memorandum dated 3 January 2022 in relation to its S\$300,000,000 multicurrency medium term note programme (the "**Programme**").

Maxi-Cash also announced a notice to the holders of its outstanding 6.35 per cent notes due 2022 (ISIN: SGXF40779641) comprised in Series 002 (the “**Existing Notes**”) that Maxi-Cash wished to (a) purchase for cash up to S\$10,000,000 in aggregate principal amount of the outstanding Existing Notes; and (b) exchange any and all outstanding Existing Notes for 6.05 per cent notes due 2025 (the “**New Notes**”), and hereby invited noteholders (the “**Invitation**”) to either make an offer to sell or an offer to exchange, subject to the terms and conditions in the tender and exchange offer memorandum dated 3 January 2022 issued by Maxi-Cash. Maxi-Cash subsequently announced the expiration and closing of the Invitation on 14 January 2022.

- A3. 17 January 2022:** Maxi-Cash announced that it had received reverse enquiry interest from its investors (including certain directors and/or controlling shareholders of Maxi-Cash and/or their associates) in relation to the issue of additional notes pursuant to the New Notes and announced the launch and pricing of the S\$36,750,000 6.05 per cent notes due 2025 (the “**Additional Notes**”) to be issued by Maxi-Cash under the Programme. The Additional Notes will be fungible and shall consolidate into the same tranche and series as the New Notes to be issued pursuant to the Invitation (the Additional Notes together with the New Notes, the “**Series 003 Notes**”). The final aggregate principal amount of the Series 003 Notes to be issued will be S\$60.00 million, being S\$23.25 million in aggregate principal amount of New Notes to be issued plus S\$36.75 million in aggregate principal amount of Additional Notes to be issued. The Series 003 Notes are expected to be issued on 24 January 2022. Maxi-Cash subsequently announced the listing confirmation and closing of the Series 003 Notes on 24 January 2022.
- A4. 8 February 2022:** Maxi-Cash announced that it had entered into the following interested person transactions of: (a) lease of premises and exchange / subscription of 3-years 6.05 per cent. bonds due 2025 issued by Maxi-Cash (“**Maxi-Cash Bonds**”) with AF Global Limited and its subsidiaries; (b) corporate charges, lease of premises and provision of management services with the Aspial Group; (c) lease of premises with ACU; and (d) exchange / subscription of Maxi-Cash Bonds with Madam Ko Lee Meng and her child, Madam Koh Lee Hwee and her spouse, Madam Lim Kwee Hua, DN Global Pte. Ltd., Mr. Koh Wee Meng and Madam Tan Su Lan (collectively, the “**IPTs**”). The aggregate value of all IPTs (excluding transactions which are less than S\$100,000) entered into for the financial period ending 31 March 2022 was approximately S\$6.02 million, representing approximately 4.04% of Maxi-Cash’s latest audited net tangible assets as at 31 December 2020 of approximately S\$148.90 million.
- A5. 4 March 2022:** Maxi-Cash announced that the net proceeds of approximately S\$5.06 million from the Placement had been fully utilised as working capital for the funding in relation to the secured lending business.
- A6. 13 April 2022:** Maxi-Cash announced the circular and notice of the extraordinary general meeting in relation to the proposed adoption of the Maxi-Cash Performance Share Plan 2022, following the expiration and termination of Maxi-Cash Performance Share Plan 2012 on 10 April 2022. The extraordinary general meeting was convened and shareholders’ approval was obtained subsequently on 29 April 2022.
- A7. 26 April 2022:** Maxi-Cash announced that the aggregate value of all IPTs (excluding transactions which are less than S\$100,000) entered into for the six months ending 30 June 2022 was approximately S\$7.94 million, representing approximately 5.37% of Maxi-Cash’s audited net tangible assets as at 31 December 2021 of approximately S\$147.88 million.
- A8. 5 May 2022:** Maxi-Cash announced that S\$4.75 million in aggregate principal amount of the Existing Notes repurchased in the open market (the “**Repurchased Notes**”) have been cancelled in accordance with the terms and conditions of the notes. Following the cancellation of the Repurchased Notes, the aggregate outstanding principal amount of the Existing Notes is S\$15.00 million.

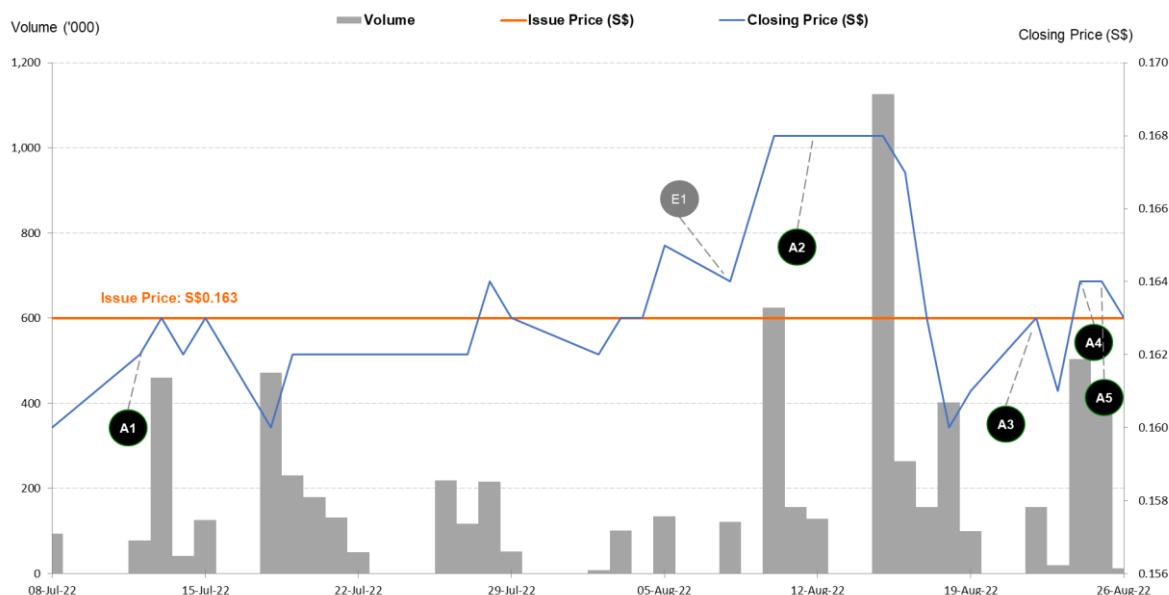
**A9. 24 June 2022:** Maxi-Cash released the announcement, the circular and notice of the extraordinary general meeting in relation to the proposed adoption of a shareholders' mandate (the "**IPT Mandate**") to enable the Maxi-Cash to enter into the following transactions with the Aspial Group: (i) the purchase of finished goods by any of (a) Maxi-Cash, (b) a subsidiary of Maxi-Cash that is not listed on the SGX-ST or an approved exchange; and (c) an associated company of Maxi-Cash that is not listed on the SGX-ST or an approved exchange, provided that the Maxi-Cash Group, or the Maxi-Cash Group and interested person(s) of Maxi-Cash, have control over the associated company (each, a "**Maxi-Cash IPT Group Entity**") from the Aspial Group; (ii) the procurement of services in connection with the jewellery business including the certification of jewellery and procurement of price tags, dismantling charges and jewellery repair from the Aspial Group for any Maxi-Cash IPT Group Entity; (iii) the sale of loose diamonds by any Maxi-Cash IPT Group Entity to the Aspial Group; and (iv) the providing and procuring of intra-group corporate and management support services to and from the Aspial Group.

**A10. 7 July 2022:** Maxi-Cash announced the Proposed Sale and Re-organisation as the Purchaser after trading hours.

Based on the chart above, the closing prices of the Maxi-Cash Shares for the one-year period prior to and including the Last Trading Day had ranged between a low of S\$0.161 (on 13 May 2022) and a high of S\$0.186 (on 6 August 2021). We note that the Issue Price is within the range of closing prices for the one-year period prior to and including the Last Trading Day, and the Maxi-Cash Shares have generally traded above the Issue Price for the one-year period prior to and including the Last Trading Day.

We have also set out the daily closing prices and daily trading volumes of the Maxi-Cash Shares after the Last Trading Day and up to the Latest Practicable Date below:

**Daily closing prices and daily trading volumes of the Maxi-Cash Shares after the Last Trading Day and up to the Latest Practicable Date**



**Source:** Thomson Reuters Eikon and Maxi-Cash's announcements on the SGXNet

**Earnings announcement:**

**E1. 8 August 2022:** Maxi-Cash announced its unaudited financial statements for the half year ended 30 June 2022 ("**6M2022**") in which the Maxi-Cash Group's net profit after tax increased by approximately S\$1.25 million or 15.51% from approximately S\$8.06 million for 6M2021 to approximately S\$9.31 million in 6M2022.

**Other significant announcements:**

- A1. 12 July 2022:** An extraordinary general meeting was convened and shareholders' approval has been obtained for the IPT Mandate announced on 24 June 2022.
- A2. 12 August 2022:** Maxi-Cash announced that the aggregate value of all IPTs (excluding transactions which are less than S\$100,000) entered into for the current financial year ending 31 December 2022 was approximately S\$12.73 million, representing approximately 8.61% of Maxi-Cash's latest audited net tangible assets as at 31 December 2021 of approximately S\$147.88 million.
- A3. 22 August 2022:** Maxi-Cash released the circular and notice of the extraordinary general meeting in relation to, *inter alia*, the Proposed Sale and Re-organisation as the Purchaser.
- A4. 24 August 2022:** Maxi-Cash carried out a share buyback by way of market acquisition of 464,100 Maxi-Cash Shares, representing 0.04% of the total Maxi-Cash Shares as at the date of Maxi-Cash's share buy-back resolution.
- A5. 25 August 2022:** Maxi-Cash carried out a share buyback by way of market acquisition of 419,900 Maxi-Cash Shares, representing 0.04% of the total Maxi-Cash Shares as at the date of Maxi-Cash's share buy-back resolution.

Based on the chart above, the closing prices of the Maxi-Cash Shares had ranged between a low of S\$0.160 (on 8 July 2022, 18 July 2022 and 18 August 2022) and a high of S\$0.168 (between 10 August 2022 to 15 August 2022) during the period after the Last Trading Day and up to the Latest Practicable Date. We note that the Issue Price is within the range of closing prices for the period after the Last Trading Day and up to the Latest Practicable Date.

We have set out below the premia/(discount) implied by the Issue Price over/(to) the historical volume-weighted average prices ("VWAPs") for (a) the one-year period prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date:

	VWAP <sup>(1)</sup> (S\$)	Premium/ (discount) of Issue Price over/(to) VWAP (%)	Highest closing price (S\$)	Lowest closing price (S\$)	Average daily trading volume <sup>(2)</sup> ("ADTV") ('000)	ADTV as a percentage of free float <sup>(3)</sup> (%)	Traded days <sup>(4)</sup>
<b>Periods prior to and including the Last Trading Day</b>							
One-year	0.172	(5.23)	0.186	0.161	333	0.15	231
Six-month	0.167	(2.40)	0.175	0.161	149	0.07	112
Three-month	0.164	(0.61)	0.168	0.161	75	0.03	51
One-month	0.164	(0.61)	0.167	0.162	22	0.01	17
Last Trading Day	0.162 <sup>(5)</sup>	0.62	0.162	0.162	63	0.03	1
<b>Period after the Last Trading Day and up to the Latest Practicable Date</b>							
After the Last Trading Day and up to the Latest Practicable Date	0.164	(0.61)	0.168	0.160	203	0.09	32
Latest Practicable Date	0.163 <sup>(6)</sup>	-	0.163	0.163	12	0.01	1

**Source:** Thomson Reuters Eikon and NCF's calculations

**Notes:**

- (1) The VWAP has been weighted based on the average traded prices and traded volumes of the Maxi-Cash Shares for the relevant market days for each of the above periods.
- (2) The average daily trading volume of the Maxi-Cash Shares is calculated based on the total volume of Maxi-Cash Shares traded during the relevant period divided by the number of market days (excluding trading halts) during that period.
- (3) Free float refers to 215,996,995 Maxi-Cash Shares held by the public (as defined in the Listing Manual) for (a) the one-year period prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date, as extracted from publicly available information.
- (4) Refers to the number of market days in each of the above periods where there was trading in the Maxi-Cash Shares.
- (5) Refers to the closing price of the Maxi-Cash Shares on the Last Trading Day, being 7 July 2022, prior to the release of the Announcement after trading hours.
- (6) Refers to the closing price of the Maxi-Cash Shares on the Latest Practicable Date.

Based on the above, we note the following:

Periods prior to and including the Last Trading Day

- (a) the daily closing prices of the Maxi-Cash Shares over the one-year period prior to and including the Last Trading Day were between a low of S\$0.161 and a high of S\$0.186, and the Issue Price represents a discount of approximately 5.23%, 2.40%, 0.61% and 0.61% over the VWAPs of the Maxi-Cash Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively;
- (b) the Issue Price represents a premium of approximately 0.62% over the closing price of the Maxi-Cash Shares of S\$0.162 on the Last Trading Day;
- (c) the Maxi-Cash Shares are traded on a relatively regular basis during the one-year period, of which the Maxi-Cash Shares were traded on 231, 112, 51 and 17 market days for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day; and
- (d) during the one-year period prior to and including the Last Trading Day, the average daily trading volumes of the Maxi-Cash Shares ranged from approximately 22,000 Maxi-Cash Shares to 333,000 Maxi-Cash Shares, representing approximately 0.15%, 0.07%, 0.03% and 0.01% of the Company's free float over each of the one-year, six-month, three-month and one-month periods respectively.

Period after the Last Trading Day and up to the Latest Practicable Date

- (a) the daily closing prices of the Maxi-Cash Shares over the period after the Last Trading Day and up to the Latest Practicable Date were between a low of S\$0.160 and a high of S\$0.168, and the Issue Price represents a discount of approximately 0.61% to the VWAP of the Maxi-Cash Shares of S\$0.164 for the period after the Last Trading Day and up to the Latest Practicable Date, and is equivalent to the closing price of the Maxi-Cash Shares of S\$0.163 on the Latest Practicable Date; and
- (b) during the period after the Latest Trading Day and up to the Latest Practicable Date, the Maxi-Cash Shares were traded at an average daily trading volume of approximately 203,000 Maxi-Cash Shares, representing approximately 0.09% of Maxi-Cash's free float.

Shareholders should note that (a) there is no assurance that the market prices of the Maxi-Cash Shares after the completion of the Proposed Sale and Re-organisation may be maintained at the prevailing level as at the Latest Practicable Date, (b) the past trading performance of the Maxi-Cash Shares should not in any way be relied upon as an indication or a promise of its future trading performance, and (c) in view of the relatively thin trading liquidity of the Maxi-Cash Shares for the aforementioned periods, the market price performance of the Maxi-Cash Shares may not necessarily be a meaningful indicator of the fundamental value of the Maxi-Cash Shares.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

### 5.6.2 NAV and NTA of the Maxi-Cash Group

A summary of the financial position of Maxi-Cash Group as at 30 June 2022 is set out as below:

(\$'000)	Unaudited As at 30 June 2022
<u>Non-current assets</u>	
Property, plant and equipment	79,767
Investment properties	16,850
Right-of-use assets	33,711
Trade and other receivables	1,958
Investment in joint venture	1,513
Investment securities	2,657
Deferred tax assets	2,275
<b>Total non-current assets</b>	<b>138,731</b>
<u>Current assets</u>	
Inventories	103,871
Trade and other receivables	358,828
Prepaid rent	3
Prepayments	1,236
Due from a related company (trade)	17
Due from a related company (non-trade)	82
Derivative financial instruments	422
Cash and bank balances	20,282
<b>Total current assets</b>	<b>484,741</b>
<b>Total assets</b>	<b>623,472</b>
<u>Current liabilities</u>	
Trade and other payables	14,795
Due to a related company (non-trade)	18
Provision for taxation	3,041
Interest-bearing loans	263,188
Lease liabilities	9,981



<b>(S\$'000)</b>	<b>Unaudited As at 30 June 2022</b>
Term notes	15,000
<b>Total current liabilities</b>	<b>306,023</b>
<u>Non-current liabilities</u>	
Other payables	45
Interest-bearing loans	79,345
Term notes	60,000
Deferred tax liabilities	146
Lease liabilities	24,804
<b>Total non-current liabilities</b>	<b>164,340</b>
<b>Total liabilities</b>	<b>470,363</b>
<u>Equity attributable to owners of Maxi-Cash</u>	
Share capital	142,341
Treasury shares	(59)
Other reserves	(6,234)
Revenue reserves	15,920
Total equity attributable to owners of Maxi-Cash	151,968
Non-controlling interests	1,141
<b>Total equity</b>	<b>153,109</b>
<b>NAV</b>	<b>151,968</b>
<b>NTA<sup>(1)</sup></b>	<b>149,839</b>
<b>NAV per Maxi-Cash Share (cents)<sup>(2)</sup></b>	<b>14.26</b>
<b>NTA per Maxi-Cash Share (cents)<sup>(2)</sup></b>	<b>14.06</b>
<b>Premium of Issue Price to NAV per Maxi-Cash Share</b>	<b>14.31%</b>
<b>Premium of Issue Price to NTA per Maxi-Cash Share</b>	<b>15.93%</b>

**Source:** Results announcement of the Maxi-Cash Group for HY2022

**Notes:**

(1) Computed based on NAV attributable to owners of the Maxi-Cash net of net deferred tax assets.

(2) Computed based on the outstanding number of Maxi-Cash Shares of 1,066,043,234 as at Latest Practicable Date.

The Maxi-Cash Group recorded a NAV per Maxi-Cash Share and NTA per Maxi-Cash Share as at 30 June 2022 of approximately 14.26 cents and 14.06 cents respectively. We note that the Issue Price represents a premium of approximately 14.31% and 15.93% to the NAV per Maxi-Cash Share and NTA per Maxi-Cash Share as at 30 June 2022 respectively.

### 5.6.3 RNAV of the Maxi-Cash Group

We have also considered whether there are any other assets which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Maxi-Cash Group as at 30 June 2022 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Maxi-Cash Group that are likely to impact the NAV and NTA of the Maxi-Cash Group as at 30 June 2022.

Solely for illustrative purposes, taking into account (a) the market price of the Property (held by ACU, which is in turn 50% held by Maxi-Cash), (b) the fair value of the quoted investment securities held by Maxi-Cash as at the Latest Practicable Date, and (c) the interim dividend for HY2022 declared by Maxi-Cash on 8 August 2022, the estimated RNAV of the Maxi-Cash Group as at 30 June 2022 is computed as follows:

	(S\$'000)
<b>Unaudited NAV of the Maxi-Cash Group as at 30 June 2022</b>	151,968
Add: net revaluation surplus arising from the independent valuation of the Property held by ACU	5,230
Add: net revaluation surplus arising from the fair value of quoted investment securities held by Maxi-Cash	3
Less: declaration of interim dividend to shareholders of Maxi-Cash <sup>(1)</sup>	(6,935)
<b>RNAV of the Maxi-Cash Group as at 30 June 2022</b>	<b>150,266</b>
<b>RNAV per Maxi-Cash Share (cents)<sup>(2)</sup></b>	<b>14.10</b>
<b>Premium of Issue Price to RNAV per Maxi-Cash Share</b>	<b>15.60%</b>

**Notes:**

(1) Maxi-Cash had declared interim dividend of S\$0.0065 per Maxi-Cash Share for HY2022 on 8 August 2022.

(2) Computed based on the number of outstanding Maxi-Cash Shares of 1,066,043,234 as at Latest Practicable Date.

With reference to the RNAV per Maxi-Cash Share, we note that the Issue Price represents a premium of 15.60% to the RNAV per Maxi-Cash Share as at 30 June 2022.

In respect of the above, the Directors have also confirmed, to the best of their knowledge and belief based on information available to them, as at the Latest Practicable Date, that:

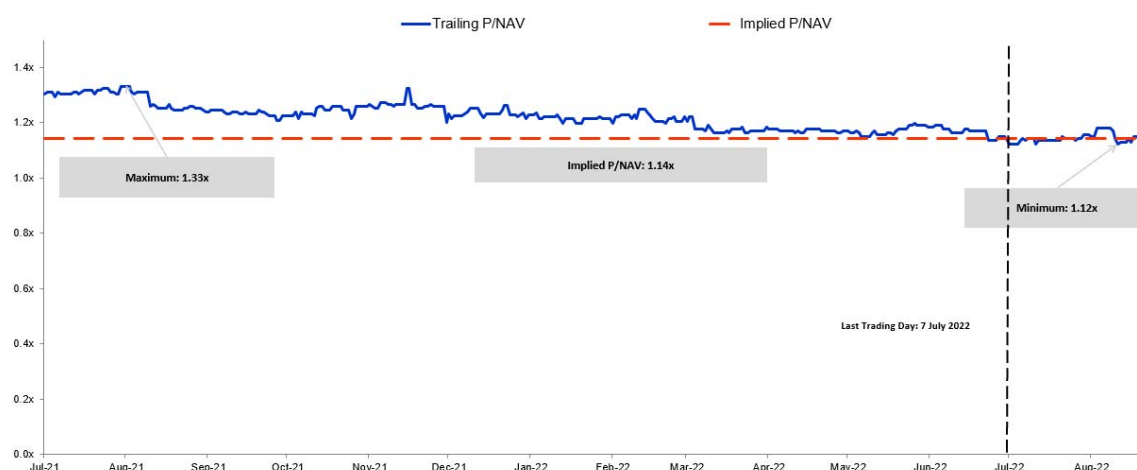
- (i) Save as disclosed in paragraph 5.6.3 above, there are no material differences between the realisable values of the Maxi-Cash Group's assets and their respective book values as at 30 June 2022 which would have material impact on the unaudited consolidated NAV and NTA of the Maxi-Cash Group;
- (ii) they are not aware of any circumstances which may cause the unaudited consolidated NAV and NTA as at the Latest Practicable Date to be materially different from that recorded in the unaudited consolidated statement of financial position of the Maxi-Cash Group as at 30 June 2022;
- (iii) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the unaudited consolidated NAV and NTA of the Maxi-Cash Group as at the Latest Practicable Date;
- (iv) there are no litigation, claim or proceedings pending or threatened against the Maxi-Cash Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Maxi-Cash Group;
- (v) there are no other intangible assets which ought to be disclosed in the unaudited consolidated statement of financial position of the Maxi-Cash Group in accordance with the SFRS(I) and which have not been so disclosed, and that would have had a material impact on the overall financial position of the Maxi-Cash Group as at 30 June 2022; and

- (vi) there are no material acquisitions or disposals of assets by the Maxi-Cash Group between 30 June 2022 and the Latest Practicable Date and, save for the Proposed Sale and Re-organisation, the Maxi-Cash Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Maxi-Cash Group's material assets or material change in the nature of the Maxi-Cash Group's business.

#### 5.6.4 Historical trailing P/NAV multiples of the Maxi-Cash Shares

We have compared the P/NAV multiples of the Maxi-Cash Shares as implied by the Issue Price vis-à-vis the historical trailing P/NAV multiples of the Maxi-Cash Shares respectively (based on the daily closing prices of the Maxi-Cash Shares and Maxi-Cash's trailing announced NAV per Maxi-Cash Share) for the one-year period from 8 July 2021, being the last market day one (1) year prior to the Last Trading Day, and ending on the Latest Practicable Date, as set out below:

##### Historical trailing P/NAV multiples of the Maxi-Cash Shares for the period commencing one year prior to the Last Trading Day and ending on the Latest Practicable Date



**Source:** Thomson Reuters Eikon

We set out below the historical trailing P/NAV multiples of the Maxi-Cash Shares for the period commencing one year prior to the Last Trading Day and ending on the Latest Practicable Date:

	Historical trailing P/NAV multiples		
	Average	High	Low
One-year	1.22	1.33	1.14
Six-month	1.19	1.25	1.14
Three-month	1.17	1.20	1.14
One-month	1.17	1.19	1.14
After Last Trading Day and up to Latest Practicable Date	1.15	1.18	1.12

**Source:** Thomson Reuters Eikon, Maxi-Cash's announcements on the SGXNet and NCF's calculations

Our observations are set out below:

Periods prior to and including the Last Trading Day

The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.22 times, 1.19 times, 1.17 times and 1.17 times for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively, and (b) within the range of historical trailing P/NAV multiples of between 1.14 and 1.33 for the one-year period prior to and including the Last Trading Day.

Period after the Last Trading Day and up to the Latest Practicable Date

The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiple of the Maxi-Cash Shares of 1.15 times for the period after the Last Trading Day and up to the Latest Practicable Date, and (b) within the range of historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.12 times to 1.18 times for the period after the Last Trading Day and up to the Latest Practicable Date.

Shareholders should note that the above analysis is solely for illustrative purposes as the NAV of Maxi-Cash is not necessarily a realisable value given that the market values of the net assets may vary depending on, amongst others, prevailing market and economic conditions.

**5.6.5 Valuation ratios of selected companies listed on the Selected Stock Exchanges which principal business activities are broadly comparable to those of Maxi-Cash Group**

Based on Maxi-Cash Group's annual report for FY2021 and as mentioned in paragraph 3.3 of this Letter, Maxi-Cash Group is principally engaged in (a) the provision of financial services in the form of pawnbroking and secured lending, and (b) the retail and trading of jewellery and branded merchandise through its pawnshops and retail outlets.

In view that the Company will be obtaining Maxi-Cash Shares as part settlement of the Consideration, we have made reference to the valuation ratios of selected companies listed on the Selected Stock Exchange which are primarily engaged in the pawnbroking business, which we consider to be broadly comparable to the principal business of Maxi-Cash Group to obtain an indication of the current market expectations with regard to the perceived valuation of Maxi-Cash Shares (collectively, the "**Maxi-Cash Comparable Companies**").

We wish to highlight that the Maxi-Cash Comparable Companies are not exhaustive and we recognise that there is no company listed on the Selected Stock Exchanges, which is identical to Maxi-Cash Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. In addition, each of the Maxi-Cash Comparable Companies may engage in other separate business activities which are not related to the pawnbroking business. Shareholders should note that any comparison made with respect to the Maxi-Cash Comparable Companies merely serves to provide an illustrative perceived market valuation of the Maxi-Cash Group as at the Latest Practicable Date.

A brief description of the Maxi-Cash Comparable Companies is as follows:

Comparable Companies / Country (Region) of listing	Business description	Financial year-end
MoneyMax Financial Services Ltd. (" <b>MoneyMax</b> ") / Singapore	MoneyMax is principally engaged in pawnbroking, retail and trading of gold and luxury items, secured lending, car financing, motor and general insurance services and e-auction services.	31 December

<b>Comparable Companies / Country (Region) of listing</b>	<b>Business description</b>	<b>Financial year-end</b>
ValueMax Group Limited ("ValueMax") / Singapore	ValueMax is principally engaged in pawnbroking and secured money lending services, as well as the retail and trading of jewellery and gold.	31 December
Pappajack Berhad ("Pappajack") / Malaysia	Pappajack is principally engaged in pawnbroking and sale of unredeemed or bid pledges.	31 December
Oi Wah Pawnshop Credit Holdings Limited ("Oi Wah") / Hong Kong	Oi Wah is principally engaged in the provision of secured financing business including pawn loans and mortgage loans.	28 February
China Art Financial Holdings Limited ("China Art") / Hong Kong	China Art is principally engaged in the art and asset auction business as well as the art and asset pawn business.	31 December
China Huirong Financial Holdings Limited ("China Huirong") / Hong Kong	China Huirong is principally engaged in providing diversified financial services such as pawnshop, micro-finance, commercial factoring, art investment, turnover loan fund, equity investment and special asset management.	31 December
Capital Finance Holdings Limited ("Capital Finance") / Hong Kong	Capital Finance is principally engaged in short-term financing services including pawn loan business and micro-financing business.	31 December

**Source:** Thomson Reuters Eikon and the Maxi-Cash Comparable Companies' annual reports

The valuation measures adopted herein are similar to the valuation measures used in paragraph 5.5 of this Letter.

The valuation ratios of the Maxi-Cash Comparable Companies based on their last transacted share prices as at the Latest Practicable Date are set out as below:

<b>Comparable Companies</b>	<b>Market Capitalisation<sup>(1)</sup> (millions)</b>	<b>LTM P/E (times)</b>	<b>LTM EV/EBITDA (times)</b>	<b>P/NAV (times)</b>	<b>P/NTA (times)</b>
MoneyMax	S\$88.45	3.66	8.13	0.72	0.75
ValueMax	S\$256.06	5.30	11.41	0.74	0.74
Pappajack	RM320.64 (approx. S\$99.94)	47.25 <sup>(2)</sup>	22.17 <sup>(2)</sup>	1.91	1.91
Oi Wah	HK\$501.49 (approx. S\$89.07)	7.00	4.27	0.51	0.51
China Art	HK\$218.14 (approx. S\$38.74)	7.45	n.a. <sup>(3)</sup>	0.17	0.17
China Huirong	HK\$1,112.14 (approx. S\$197.52)	10.76	8.24	0.53	0.55
Capital Finance	HK\$36.43 (approx. S\$6.47)	n.a. <sup>(3)</sup>	53.25 <sup>(2)</sup>	1.09	8.59 <sup>(2)</sup>
<b>High</b>		<b>10.76</b>	<b>11.41</b>	<b>1.91</b>	<b>1.91</b>
<b>Mean</b>		<b>6.83</b>	<b>8.01</b>	<b>0.81</b>	<b>0.77</b>
<b>Median</b>		<b>7.00</b>	<b>8.19</b>	<b>0.72</b>	<b>0.64</b>
<b>Low</b>		<b>3.66</b>	<b>4.27</b>	<b>0.17</b>	<b>0.17</b>

Comparable Companies	Market Capitalisation <sup>(1)</sup> (millions)	LTM P/E (times)	LTM EV/EBITDA (times)	P/NAV (times)	P/NTA (times)
Maxi-Cash Group <sup>(4)</sup>	S\$173.77	11.08	13.28	1.14 <sup>(5)</sup> (P/NAV)  1.16 <sup>(6)</sup> (P/RNAV)	1.16

**Source:** Thomson Reuters Eikon, annual reports and announcements of the Maxi-Cash Comparable Companies and NCF's calculations

**Notes:**

- (1) The market capitalisation of each Maxi-Cash Comparable Companies is reported in the respective currency in which their shares are being traded as at the Latest Practicable Date, as well as in Singapore dollars based on the respective exchange rates as at the Latest Practicable Date, as extracted from Thomson Reuters Eikon.
- (2) Excluded as a statistical outlier in the high, low, mean and median computations.
- (3) Denotes "not applicable" as the respective Maxi-Cash Comparable Companies recorded LTM net losses attributable to owners of the company and/or negative EV, as the case may be.
- (4) Based on the Issue Price.
- (5) Based on the NAV of Maxi-Cash Group of approximately S\$151.97 million as at 30 June 2022.
- (6) Based on the RNAV of Maxi-Cash Group of approximately S\$150.27 million as at 30 June 2022.

Our observations are set out as follows:

- (a) The LTM P/E ratio (as implied by the Issue Price) of Maxi-Cash Group of 11.08 times is above the range of LTM P/E ratios of the Maxi-Cash Comparable Companies of between 3.66 times and 10.76 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 6.83 times and 7.00 times respectively;
- (b) The LTM EV/EBITDA ratio (as implied by the Issue Price) of Maxi-Cash Group of 13.28 times is above the range of LTM EV/EBITDA ratios of the Maxi-Cash Comparable Companies of between 4.27 times and 11.41 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 8.01 times and 8.19 times respectively;
- (c) The P/NAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.14 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively;
- (d) The P/RNAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively; and
- (e) The P/NTA ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NTA ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.77 times and 0.64 times respectively.

## 5.7 Pro forma financial effects of the Proposed Sale and Re-organisation

For illustrative purposes only, the unaudited pro forma financial effects have been prepared based on the audited consolidated financial statements of the Aspiat Group for FY2021 and are set out in Section 8 of the Circular. Shareholders are advised to read the information carefully, including the bases and assumptions set out therein.



### NTA per share of the Company (the “Share”)

The Proposed Sale and Re-organisation will have following impact on the NTA and the NTA per Share of the Aspiat Group as at 31 December 2021, assuming that the Proposed Sale and Re-organisation had been completed on 31 December 2021:

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

**Notes:**

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

We note that the NTA per Share would decrease from approximately 17.42 cents as at 31 December 2021 to 17.34 cents after completion of the Proposed Sale and Re-organisation.

### Loss per Share (“LPS”)

The Proposed Sale and Re-organisation will have the following impact on the LPS of the Aspiat Group for FY2021, assuming that the Proposed Sale and Re-organisation was completed on 1 January 2021:

<b>FY2021</b>	<b>Before the Proposed Sale and Re-organisation</b>	<b>After the Proposed Sale and Re-organisation<sup>(1)</sup></b>
Net profit after tax	2,655,000 <sup>(2)</sup>	2,655,000 <sup>(2)</sup>
Loss after tax attributable to the owners of the Company (S\$)	(363,000)	(2,401,000)
<b>LPS<sup>(3)</sup> (cents)</b>	<b>(0.02)</b>	<b>(0.12)</b>

**Notes:**

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

There is no gain or loss on disposal to the Aspiat Group pursuant to the Proposed Sale and Re-organisation as any such gain or loss pursuant to the Proposed Sale and Re-organisation of the Target Group will be eliminated as inter-company adjustments for the Aspiat Group.

We note that the Aspiat Group's LPS would increase from approximately 0.02 cents for FY2021 to 0.12 cents after the Proposed Sale and Re-organisation.

Shareholders should note that the above analysis has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Aspial Group after the completion of the Proposed Sale and Re-organisation.

## 5.8 Other relevant considerations

### 5.8.1 Change in interests of the Company in Maxi-Cash Shares

The change in interests of the Company in Maxi-Cash Shares as at the Latest Practicable Date and immediately following the completion of the Proposed Sale and Re-organisation and the payment of the Earn-out Consideration in full is set out below:

	As at Latest Practicable Date		Immediately following the completion of the Proposed Sale and Re-organisation		Immediately following the payment of the Earn-out Consideration	
	Number of Maxi-Cash Shares	% <sup>(1)</sup>	Number of Maxi-Cash Shares	% <sup>(2)</sup>	Number of Maxi-Cash Shares	% <sup>(3)</sup>
The Company	664,162,569	62.30	975,819,010	70.83	1,012,628,825	71.59

**Notes:**

- (1) The figures are computed based on the issued and paid-up share capital of 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at Latest Practicable Date.
- (2) The figures are computed based on the issued and paid-up share capital of 1,377,699,675 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at Latest Practicable Date, and (b) 311,656,441 Base Consideration Shares.
- (3) The figures are computed based on the issued and paid-up share capital of 1,414,509,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at Latest Practicable Date, (b) 311,656,441 Base Consideration Shares, and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

We note that Maxi-Cash will remain a subsidiary of the Company following the completion of the Proposed Sale and Re-organisation, with the Company's shareholdings in Maxi-Cash increasing by approximately 8.53% from 62.30% to 70.83%. Upon payment of the Earn-out Consideration (assuming the Earn-out Consideration is paid in full), the Company's shareholdings in Maxi-Cash will further increase by approximately 0.76% from 70.83% to 71.59%.

### 5.8.2 Re-organisation of corporate structure

The Proposed Sale and Re-organisation is meant to streamline the Company's investments, businesses, operations, and the corporate structure of the Aspial Group, and enable the Aspial Group to focus and consolidate its local retail business segment under the management of Maxi-Cash.

Given that Maxi-Cash will remain a subsidiary of the Company, the Company will continue to consolidate the financial results of the Maxi-Cash Group (which will include the Target Group) into the Aspial Group upon the completion of the Proposed Sale and Re-organisation. As a result, we note that there is no gain or loss on disposal of the Target Group pursuant to the Proposed Sale and Re-organisation, as any such gain or loss will be eliminated as inter-company adjustments for the Aspial Group.

### 5.8.3 Dividend track record of Maxi-Cash

We note that Maxi-Cash had consistently declared dividends over the years, and had declared and paid the following ordinary dividends in respect of its last five (5) financial years:

Dividend declared	FY2017	FY2018	FY2019	FY2020	FY2021
Final dividend per Share (S\$)	0.007	0.0035	0.0035	-	-
Interim dividend per Share (S\$)	0.005	0.006	0.01	0.026	0.0125
<b>Total dividend per Share (S\$)</b>	<b>0.012</b>	<b>0.0095</b>	<b>0.0135</b>	<b>0.026</b>	<b>0.0125</b>
One-year average closing Maxi-Cash Share price (S\$)	0.173	0.148	0.131	0.135	0.177
<b>Total dividend yield (%)<sup>(1)</sup></b>	<b>6.94</b>	<b>6.42</b>	<b>10.31</b>	<b>19.26</b>	<b>7.06</b>

**Source:** Thomson Reuters Eikon, Maxi-Cash's announcements on the SGXNet and NCF's calculations

**Note:**

- (1) Computed based on the total dividends declared for each financial year divided by the one-year average closing Maxi-Cash Share price of Maxi-Cash. The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor.

We wish to highlight that the above dividend analysis of Maxi-Cash serves only as an illustrative guide and is not an indication of Maxi-Cash's future dividend policy. There is no assurance that Maxi-Cash will continue to pay dividends in future and/or maintain that level of dividend paid in past periods. To the best of the Directors' knowledge, Maxi-Cash does not have a formal dividend policy.

The Non-Interested Directors should note that the above analysis ignores any potential capital gain or capital loss that may accrue to the Shareholders arising from their indirect investment in the Maxi-Cash Shares due to market fluctuations in the price of the Maxi-Cash Shares during the relevant corresponding periods in respect of which the above dividend yields were analysed. In addition, no views are being expressed with regard to the future dividend policy of Maxi-Cash and Maxi-Cash does not have a fixed or formal dividend policy. As such, the quantum of dividends (if any) paid by Maxi-Cash in any period would depend on various factors including but not limited to the financial performance of Maxi-Cash, its working capital and capital expenditure needs as well as other considerations.

### 5.8.4 Abstention from voting

In accordance with Rule 919 of the Listing Manual, MLHS Holdings Pte. Ltd. ("**MLHS**") (the controlling shareholder of the Company) and the Koh Siblings, being interested persons, are required to and will undertake to abstain, and to ensure that their respective associates will abstain, from voting on the resolution relating to the Proposed Sale and Re-organisation at the EGM.

Further, each of MLHS and the Koh Siblings 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 resolution relating to the Proposed Sale and Re-organisation for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his or her votes are to be cast at the EGM.

## 6. OUR OPINION

In arriving at our opinion in respect of the Proposed Sale and Re-organisation, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) The rationale for the Proposed Sale and Re-organisation;
- (b) The Target Group's revenue decreased by approximately S\$19.63 million from approximately S\$87.39 million in FY2019 to approximately S\$67.76 million in FY2020 mainly due to the temporary closure of retail outlets during the circuit breaker period in Singapore. Following the easing of COVID-19 restrictions in Singapore, the Target Group's revenue increased by approximately S\$39.15 million to approximately S\$106.91 million in FY2021. The Target Group's revenue increased by approximately S\$11.43 million from approximately S\$49.26 million in HY2021 to approximately S\$60.69 million in HY2022, mainly due to higher sales in HY2022. The Target Group incurred a net loss of approximately S\$0.85 million in FY2019, and achieved a net profit of approximately S\$3.14 million, S\$12.55 million, S\$5.73 million and S\$6.48 million in FY2020, FY2021, HY2021 and HY2022 respectively;
- (c) The Base Consideration is at an excess of S\$0.80 million to the lower range of the Market Value of S\$87.00 million, and the Consideration is at an excess of S\$0.30 million to the upper range of the Market Value of S\$99.50 million;
- (d) The Base Consideration represents a premium of approximately 81.27%, 96.21% and 63.60% to the NAV, NTA and RNAV of the Target Group as at 30 June 2022 respectively, and the Consideration represents a premium of approximately 106.04%, 123.03% and 85.96% to the NAV, NTA and RNAV of the Target Group as at 30 June 2022 respectively;
- (e) In comparison with the Target Group Comparable Companies:
  - (i) The LTM P/E ratio (as implied by the Base Consideration) of the Target Group of 6.60 times and the LTM P/E ratio (as implied by the Consideration) of the Target Group of 7.51 times are within the range of LTM P/E ratios of the Target Group Comparable Companies of between 2.36 times and 18.27 times, but below the mean and median ratios of the Target Group Comparable Companies of 8.21 times and 7.63 times respectively;
  - (ii) The LTM EV/EBITDA ratio (as implied by the Base Consideration) of the Target Group of 4.79 times and the LTM EV/EBITDA (as implied by the Consideration) of 5.18 times are within the range of LTM EV/EBITDA ratios of the Target Group Comparable Companies of between 1.90 times and 5.18 times, and above the mean and median ratios of the Target Group Comparable Companies of 3.98 times and 4.16 times respectively;
  - (iii) The P/NAV ratio (as implied by the Base Consideration) of the Target Group of 1.81 times and the P/NAV ratio (as implied by the Consideration) of the Target Group of 2.06 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively;
  - (iv) The P/RNAV ratio (as implied by the Base Consideration) of the Target Group of 1.64 times and the P/RNAV ratio (as implied by the Consideration) of the Target Group of 1.86 times are within the range of P/NAV ratios of the Target Group Comparable Companies of between 0.08 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively; and

- (v) The P/NTA ratio (as implied by the Base Consideration) of the Target Group of 1.96 times and the P/NTA ratio (as implied by the Consideration) of the Target Group of 2.23 times are within the range of P/NTA ratios of the Target Group Comparable Companies of between 0.10 times and 3.56 times, and above the mean and median ratios of the Target Group Comparable Companies of 0.80 times and 0.46 times respectively;
- (f) Our assessment of the Issue Price as follows:
  - (i) the daily closing prices of the Maxi-Cash Shares over the one-year period prior to and including the Last Trading Day were between a low of S\$0.161 and a high of S\$0.186, and the Issue Price represents a discount of approximately 5.23%, 2.40%, 0.61% and 0.61% to the VWAPs of the Maxi-Cash Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively;
  - (ii) the daily closing prices of the Maxi-Cash Shares over the period after the Last Trading Day and up to the Latest Practicable Date were between a low of S\$0.160 and a high of S\$0.168, and the Issue Price represents a discount of approximately 0.61% to the VWAP of the Maxi-Cash Shares of S\$0.164 for the period after the Last Trading Day and up to the Latest Practicable Date, and is equivalent to the closing price of the Maxi-Cash Shares of S\$0.163 on the Latest Practicable Date;
  - (iii) The Issue Price represents a premium of approximately 14.31%, 15.93% and 15.60% to the NAV per Maxi-Cash Share, NTA per Maxi-Cash Share and RNAV per Maxi-Cash Share as at 30 June 2022 respectively;
  - (iv) The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.22 times, 1.19 times, 1.17 times and 1.17 times for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively, and (b) within the range of historical trailing P/NAV multiples of between 1.14 and 1.33 for the one-year period prior to and including the Last Trading Day;
  - (v) The P/NAV multiple of 1.14 times (as implied by the Issue Price) is (a) below the average historical trailing P/NAV multiple of the Maxi-Cash Shares of 1.15 times for the period after the Last Trading Day and up to the Latest Practicable Date, and (b) within the range of historical trailing P/NAV multiples of the Maxi-Cash Shares of 1.12 times to 1.18 times for the period after the Last Trading Day and up to the Latest Practicable Date;
  - (vi) In comparison with the Maxi-Cash Comparable Companies:
    - I. The LTM P/E ratio (as implied by the Issue Price) of Maxi-Cash Group of 11.08 times is above the range of LTM P/E ratios of the Maxi-Cash Comparable Companies of between 3.66 times and 10.76 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 6.83 times and 7.00 times respectively;
    - II. The LTM EV/EBITDA ratio (as implied by the Issue Price) of Maxi-Cash Group of 13.28 times is above the range of LTM EV/EBITDA ratios of the Maxi-Cash Comparable Companies of between 4.27 times and 11.41 times, and above the mean and median ratios of the Maxi-Cash Comparable Companies of 8.01 times and 8.19 times respectively;

- III. The P/NAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.14 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively;
  - IV. The P/RNAV ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NAV ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.81 times and 0.72 times respectively; and
  - V. The P/NTA ratio (as implied by the Issue Price) of Maxi-Cash Group of 1.16 times is within the range of P/NTA ratios of the Maxi-Cash Comparable Companies of between 0.17 times and 1.91 times, but above the mean and median ratios of the Maxi-Cash Comparable Companies of 0.77 times and 0.64 times respectively;
- (g) The pro forma financial effects of the Proposed Sale and Re-organisation; and
  - (h) The other relevant considerations as set out in paragraph 5.8 of this Letter, namely, (i) the change in interests of the Company in Maxi-Cash Shares from 62.30% to 70.83% upon completion of the Proposed Sale and Re-organisation, and to 71.59% following the payment of the Earn-out Consideration in full; (ii) the re-organisation of the corporate structure such that the Maxi-Cash Group (which will include the Target Group upon completion of the Proposed Sale and Re-organisation) will remain a subsidiary of the Company; (iii) the dividend track record of Maxi-Cash; and (iv) the abstention from voting by MLHS and the Koh Siblings.

**Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Sale and Re-organisation is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.**

**Accordingly, we would advise the Non-Interested Directors to recommend that the Independent Shareholders vote in favour of the Proposed Sale and Re-organisation at the EGM.**

The Non-Interested Directors should also note that transactions in the Shares or Maxi-Cash Shares are subject to possible market fluctuations and accordingly, our opinion on the Proposed Sale and Re-organisation does not and cannot take into account the future transactions or price levels that may be established for the Shares or Maxi-Cash Shares since these are governed by factors beyond the ambit of our review.

This Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Non-Interested Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Sale and Re-organisation only. The recommendation made by the Non-Interested Directors to the Independent Shareholders in relation to the Proposed Sale and Re-organisation shall remain the sole responsibility of the Non-Interested Directors.



Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case except for the EGM and the purpose of the Proposed Sale and Re-organisation. 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 truly,

For and on behalf of  
**Novus Corporate Finance Pte. Ltd.**

Andrew Leo  
Chief Executive Officer

Milene Lee  
Associate Director

**APPENDIX B**  
**VALUATION SUMMARY LETTER BY BDO ADVISORY PTE. LTD.**

Board of Directors

2 September 2022

**Aspial Corporation Limited**

55 Ubi Avenue 3,  
Aspial One,  
Singapore 408864

**Independent Valuation Report for Aspial Corporation Limited**

Dear Sirs:

1. Introduction

BDO Advisory Pte Ltd ("**BDO**") has been engaged by Aspial Corporation Limited ("**Aspial**" or the "**Company**", together with its subsidiaries, the "**Group**") to estimate the value range of its jewellery business comprising the "Lee Hwa" brand and "Goldheart" brand (the "**Target Group**")<sup>1</sup> as at 31 March 2022 (the "**Valuation Date**"). This is in relation to a proposed sale by Aspial to its subsidiary, Maxi-Cash Financial Services Corporation Ltd. ("**Maxi-Cash**") (the "**Proposed Sale and Re-organisation**"), as confirmed in our engagement letter dated 29 April 2022 (the "**Engagement Letter**"). The Proposed Sale and Re-organisation is expected to be subject to Aspial's shareholders' approval being obtained at the extraordinary general meeting to be convened.

We are a global network of firms with 1,713 offices spanning across 164 countries and territories, with more than 95,414 people who are committed to delivering quality assurance, tax and advisory services. In the valuation space, BDO Singapore's Corporate Advisory meets regional and local business' valuation needs with provision of services including valuing businesses, joint ventures and equity interests, and specific assets such as intangible assets like trademarks, customer relationships, and financial instruments. In the recent years, our valuation professionals (accredited with the Institute of Valuers and Appraisers of Singapore ("**IVAS**")) have worked on a range of business requirements, including:

- Restructuring, mergers, acquisitions and divestments
- Business planning and transaction support
- Support for tax planning and advisory
- Expert witness for litigation support
- Financial reporting

This letter is a summary of the information contained in our independent valuation report (the "**Valuation Summary Letter**"). Accordingly, it should be read in conjunction with the full text of the said independent valuation report dated 2 September 2022 (the "**Report**").

The information contained in the Report pertains to our appointment by Aspial to perform the necessary professional services relating to the valuation of the Target Group and for the inclusion in the Aspial's circular.

---

<sup>1</sup> As at the Valuation Date, the Target Group comprised: i. Aspial-Lee Hwa Jewellery Singapore Pte Ltd; ii. Aspial-Lee Hwa Jewellery Pte Ltd; iii. Goldheart Jewelry Pte Ltd; iv. Aspial Capital (Ubi) Pte Ltd; v. Gold Purple Pte Ltd; and vi. BU2 Services Pte Ltd.

## 2. Terms of reference

We are to estimate the value range of the Target Group as at the Valuation Date.

Our estimation of the value range of the Target Group is primarily based on its financial forecasts. It does not take into account any fundamentally different business that the management of the Target Group may pursue in the foreseeable future.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by Aspial and made available to us, we have considered and where appropriate, relied on such advice.

We are not expressing an opinion on the commercial merits of the proposed investment and accordingly, this Valuation Summary Letter and the Report do not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merit of the proposed investment.

In addition, this Valuation Summary Letter and the Report should not be construed as a provision of any investment advice to the current/prospective investors of the Target Group and/or Aspial and cannot be relied upon for making investment decisions and we expressly disclaim a duty of care or liability to any third party who is shown or gains access to this Valuation Summary Letter or the Report.

BDO is an independent external valuer in respect of the Proposed Sale and Re-organisation. BDO is not a substantial shareholder, director or employee of the Group or the Target Group or any of its subsidiaries, or in partnership with or employed by a substantial shareholder, director or employee of the Group or the Target Group or any of its subsidiaries.

## 3. Use of this Valuation Summary Letter and our Report

This Valuation Summary Letter and the Report are addressed to, and are intended for the use of the Directors of Aspial for the purpose as set out in the Report. Accordingly, neither the Report nor this Valuation Summary Letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of Aspial and the current/prospective investors of the Target Group). Any recommendation made by the Directors to the shareholders of Aspial shall remain the responsibility of the Directors.

## 4. Reliance on information and representation

The information used by us in preparing the Report are primarily obtained from the management of Aspial ("**Management**") and other sources as indicated in the Report. These include:

- a) A set of financial forecasts of the Target Group on a combined basis from financial year ending 31 December ("**FY**") 2022 to FY2026 provided by Management;
- b) Unaudited management accounts ("**MA**") of the Target Group on a combined basis from FY2019 to the financial period from 1 January 2022 to 31 March 2022 ("**1QFY2022**");
- c) Forecasted capital expenditure ("**CapEx**") from FY2022 to FY2026 for the Target Group;

- d) The group structure and organisational chart of the Target Group in respect of the Proposed Sale and Re-organisation;
- e) Listing of the Target Group's leases as at the Valuation Date;
- f) Property, plant and equipment ("**PPE**") schedule of the Target Group from FY2019 to 1QFY2022;
- g) Intangible assets ("**IA**") schedule of the Target Group from FY2019 to 1QFY2022;
- h) Rental expenses of the Target Group from FY2019 to 1QFY2022;
- i) The breakdown of the Target Group's other operating income ("**OOI**") from FY2019 to 1QFY2022;
- j) The breakdown of the Target Group's intercompany balances as at the Valuation Date;
- k) MA of Aspial Capital (Ubi) Pte Ltd ("**ACU**") as at the Valuation Date;
- l) The property valuation report in relation to the valuation of the property located at 55 Ubi Avenue 3, Aspial One (the "**Property**") performed by Savills Valuation and Professional Services Pte Ltd ("**Savills**") as at the Valuation Date, issued on 2 June 2022 (the "**Property Valuation Report**");
- m) ACU's mortgage loan from United Overseas Bank ("**UOB**") (the "**ACU Mortgage Loan**");
- n) Monthly invoice issued by JTC Corporation ("**JTC**") to ACU for the land rent and subletting fees as of April 2022;
- o) PPE listing of ACU as at the Valuation Date;
- p) Right of Use ("**ROU**") schedule of ACU as of January 2019;
- q) General information gleaned from documents submitted by Management;
- r) Other information and representations made to us by Management during discussions; and
- s) All other publicly available information.

While our work has involved analysis of the above mentioned financial information, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us by and on Aspial's behalf.

Management has reviewed the information contained in our Report. Our conclusion in the Report has been arrived at based on the assumption that the information provided to us is accurate and that no significant information essential to the Report has been withheld.

## 5. Valuation methodology and summary results

The basis of value that we have adopted is Market Value defined in International Valuation Standards ("**IVS**") 2020 as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In arriving at the valuation results, we have applied the following approaches:

- a) The Income Approach as a primary approach to derive the value range of the Target Group, using the discounted cash flow ("**DCF**") methodology for the following reasons:

- The Target Group is primarily income driven, underpinned by the prospects of manufacturing, retailing and trading of jewellery. The DCF methodology will better reflect a valuation that is based on income derived from the Target Group's operating business;
- Management has provided us with the financial forecasts of the Target Group on a combined basis from FY2022 to FY2026; and
- The Enterprise Value ("**EV**") of the Target Group computed comprises the equity value (to the shareholders), and the net financial debt (i.e. non-equity claims) of the Target Group which would include, in present value terms, interest-bearing liabilities and shareholder loans.

Under the DCF, the future free cash flows expected to be generated from the business of the Target Group during its life is discounted with an appropriate discount rate to arrive at an overall business or EV. To determine the terminal value ("**TV**") i.e., the value of free cash flows that continues into perpetuity in the future, the perpetuity growth method, is used.

The net debt has to be subtracted from and non-operating assets have to be added to the EV to derive the equity value range of the Target Group as at the Valuation Date.

The equity value range of the Target Group from the Lower end to the Upper end is derived by sensitivity analysis through varying the discount rate of 11.8% and the terminal growth rate of 1.5% by +/- 0.5%.

In addition, we have adopted the Market Approach using the EV to earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") ("**EV/EBITDA**") multiples of comparable companies as a secondary approach to cross-check the value range as at the Valuation Date derived by the DCF methodology.

- b) The Cost Approach using the Revised Net Asset Value ("**RNAV**") methodology to derive the equity value of the investment in joint venture i.e. Aspiat-Lee Hwa Jewellery Singapore Pte Ltd's 50% equity interest in ACU as at the Valuation Date. This is from our understanding that other than owning a five-storey building, the business operations held in ACU were minor and immaterial when considered within the Target Group.

In summary, based on our analysis, the equity value range of the Target Group is estimated to be SGD87.0M to SGD99.5M as at the Valuation Date.

We wish to emphasise that the projected cash flows used in the DCF analysis have been based upon certain identified assumptions. Some of these assumptions inevitably will not materialise, and unanticipated events may occur; therefore, the actual results achieved during the forecast period will vary from the forecasts, and the variations may be substantial. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons we express no opinion as to how closely the actual results achieved will correspond to those projected.

We have set out in the Report, the key assumptions as well as the risk factors, which may materially affect the valuation of the Target Group. These include:

- i. The Target Group is operating on a going concern basis and will continue to have sufficient capital to support future expenditure and working capital and the capability to achieve the financial forecast as projected by Management;
- ii. The future operations of the Target Group will not be adversely affected by changes to its key personnel, management team and shareholdings;
- iii. The financial information provided to us are accurate and complete;
- iv. The reliability of Management's assumptions underlying the financial forecasts, including but not limited to the projected revenue and profitability relating to the Target Group, which are assumed to be achievable. We note that if the actual financial performance of the Target Group is significantly different from the forecasts, the valuation might be significantly different;
- v. Related party transactions, if any, are carried out on normal commercial terms and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure;
- vi. All the relevant regulatory approvals, service-related agreements, licenses, permits, certificates and documents required for the ownership and operations of the Target Group have been obtained;
- vii. There are no significant changes in the types of products and services being provided in the forecast period that will materially affect the forecasted performance of the Target Group;
- viii. There will be no significant changes in the economic and political environment, which may significantly alter the financial performance and position of the Target Group;
- ix. There are no material contingent liabilities, guarantees, capital commitments, litigation involving the Target Group as at the Valuation Date; and
- x. Management represented that the FY2020 financial performance as shown in the Report has been impacted by Coronavirus 2019 ("**COVID-19**"). Many businesses, in particular retail businesses were affected by circuit breaker measures in Singapore, resulting in temporary business closures and reduced business activity. As a result, the Target Group's revenue and profitability have been affected. Management has considered the COVID-19 impact in preparing the financial forecasts of the Target Group. As such, our valuation has been premised upon Management's expectations of an economic recovery and subsequent expected growth. Should these assumptions not materialise, and if the actual results achieved during the forecast period vary from these forecasts, the valuation could be significantly different.

## 6. Conclusion

As detailed in the Report, the 100% equity value of the Target Group is estimated to range from SGD87.0M to SGD99.5M as at the Valuation Date.

We assume no responsibility and are not required to update, revise or reaffirm our conclusion of value to reflect events or developments subsequent to the date of the Report and this Valuation Summary Letter.



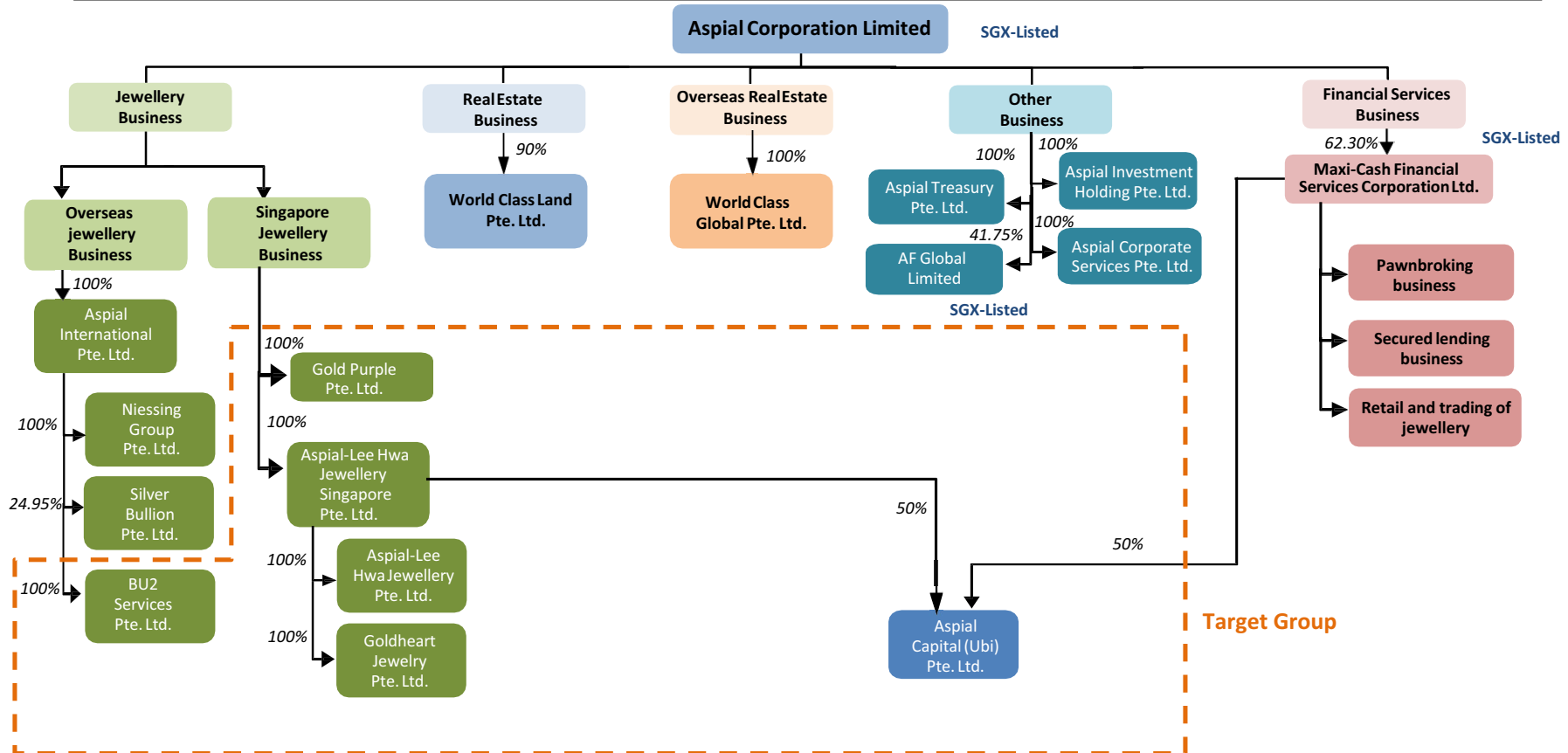
Yours faithfully,

For and on behalf of  
BDO Advisory Pte Ltd

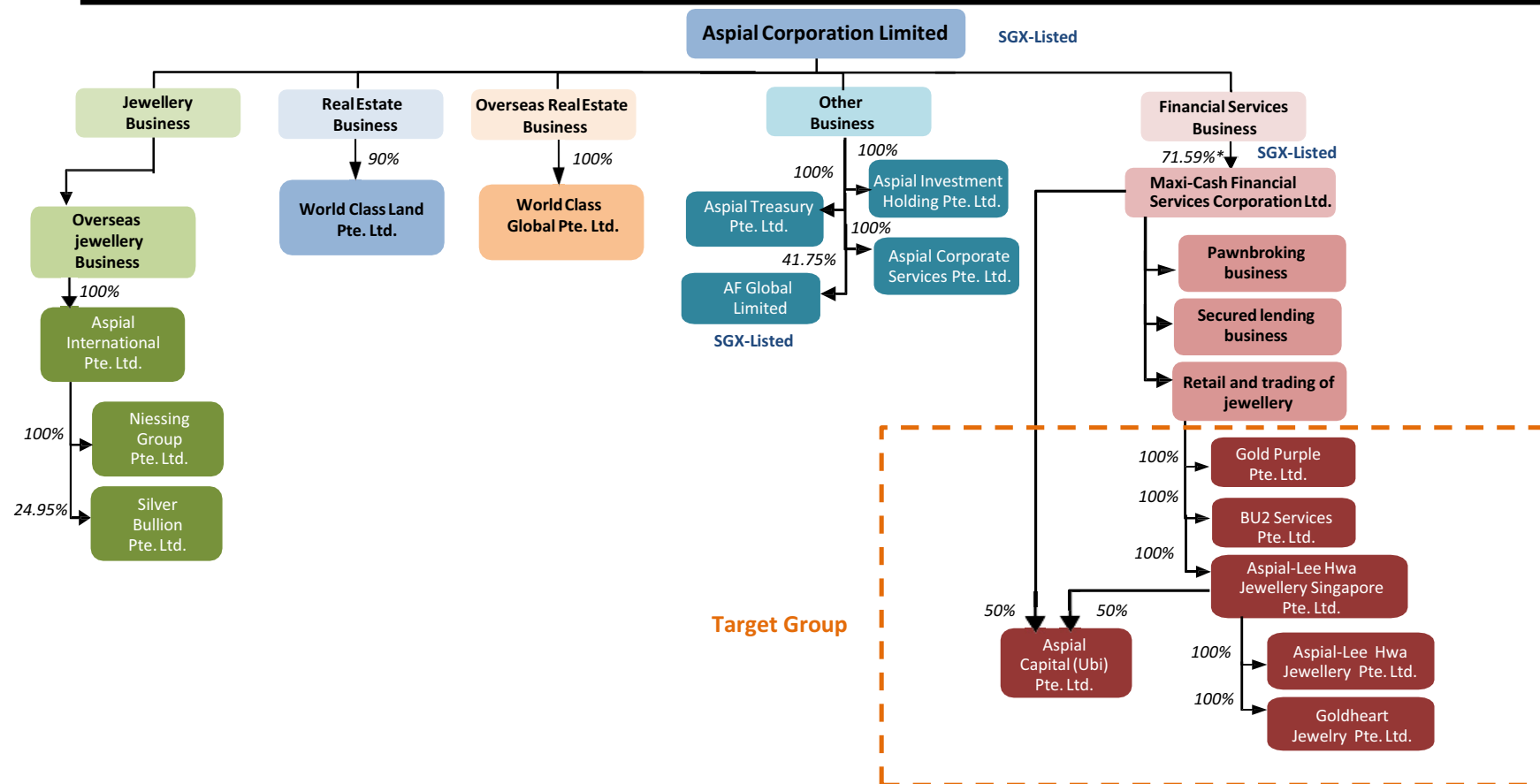
Josephine Hong  
Executive Director, Advisory

## APPENDIX C ILLUSTRATIVE STRUCTURE CHARTS

### Organisational Chart (Pre-completion)



## Organisational Chart (Post-completion)



### \*Remarks:

The figures are computed based on the issued and paid-up share capital of 1,414,509,490 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings), being the aggregate of (a) the 1,066,043,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date; (b) 311,656,441 Base Consideration Shares; and (c) 36,809,815 Earn-out Consideration Shares (assuming the Earn-out Consideration is paid in full).

# 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 (“**Aspial**”) will be held by way of electronic means on 26 September 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution which will be proposed as an ordinary resolution:

**“Ordinary Resolution: Proposed Disposal of the Entire Issued and Paid-up Share Capital of (i) Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.; (ii) Gold Purple Pte. Ltd.; and (iii) BU2 Services Pte. Ltd., to Maxi-Cash Financial Services Corporation Ltd.**

RESOLVED THAT:

- (a) the entry by Aspial into the share purchase agreement dated 7 July 2022 (the “**SPA**”) with Maxi-Cash Financial Services Corporation Ltd. (“**Maxi-Cash**”), pursuant to which Aspial has agreed to sell, and Maxi-Cash has agreed to acquire, all the issued ordinary shares in the capital of (i) Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.; (ii) Gold Purple Pte. Ltd.; and (iii) BU2 Services Pte. Ltd. ((i) to (iii) collectively, the “**Transferring Entities**”) held by Aspial, representing the entire issued and paid-up capital of each of the Transferring Entities, on the terms and conditions set out in the SPA (the “**Proposed Sale and Re-organisation**”), be approved, confirmed, ratified, and adopted; and
- (b) the Directors and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required pursuant to the SPA and to make such amendments thereto as the Directors may consider necessary, desirable and expedient) as they or he or she may consider necessary, desirable or expedient or in the interests of Aspial to give effect to the Proposed Sale and Re-organisation.”

BY ORDER OF THE BOARD

Lim Swee Ann  
Company Secretary  
2 September 2022  
Singapore

## NOTES:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular (including this Notice) will not be sent to members. This Notice may be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/> and is also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions before the EGM (including at a virtual information session) and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Aspial's announcement dated 2 September 2022. This announcement may be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** Printed copies of the Circular (including the Proxy Form) will not be sent to members. The Proxy Form may be accessed at Aspial's website at the URL <https://www.aspial.com/investor-relations/> and is also available on the SGX 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 the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Central Provident Fund ("CPF") or Supplemental Retirement Scheme ("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 by 5.00 p.m. on 14 September 2022.

4. The Chairman of the EGM, as proxy, need not be a member of Aspial.
5. The instrument appointing the Chairman of the EGM as proxy must be submitted to Aspial in the following manner:
  - (i) if submitted by post, be lodged at the office of Aspial's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
  - (ii) if submitted electronically, be submitted via email to Aspial at [AspialEGM@aspial.com](mailto:AspialEGM@aspial.com),

in either case, by 10.00 a.m. on 23 September 2022 (being not less than 72 hours before the time appointed for the EGM).

A member who wishes to submit the Proxy Form 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. In the alternative, a member may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

**In view of the prevailing COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

## 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 Aspial (i) consents to the collection, use and disclosure of the member's personal data by Aspial (or its agents or service providers) for the purpose of the processing, administration and analysis by Aspial (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 Aspial (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 Aspial (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 Aspial (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 Aspial in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by Aspial to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for Aspial's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by Aspial for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of Aspial and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by Aspial for such purpose.

# ASPIAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197001030G)

## PROXY FORM

Extraordinary General Meeting

### IMPORTANT NOTICE FOR ALTERNATIVE ARRANGEMENT FOR EXTRAORDINARY GENERAL MEETING

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular (including this Notice) will not be sent to members. Instead, this Notice may be accessed at Aspial's corporate website at the URL <https://www.aspial.com/investor-relations/> and is available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to (i) attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions to the Chairman of the EGM in advance of the EGM; (iii) addressing of substantial and relevant questions before the EGM (including at a virtual information session); and (iv) voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Aspial's announcement dated 2 September 2022. This announcement may be accessed at Aspial's corporate website at the URL <https://www.aspial.com/investor-relations/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.**
4. For investors who have used their Central Provident Fund ("CPF") monies ("CPF Investors") or monies in the Supplementary Retirement Scheme ("SRS") accounts ("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 by 5.00 p.m. on 14 September 2022.
5. By submitting this Proxy Form appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice dated 2 September 2022.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration Number)

of \_\_\_\_\_ (Address)

being a \*member/members of Aspial Corporation Limited ("**Aspial**"), hereby appoint the **Chairman of the EGM** as my/our\* proxy/proxies\* to vote for me/us\* on my/our\* behalf at the EGM of Aspial to be held by way of electronic means on 26 September 2022, at 10.00 a.m. and at any adjournment thereof.

\*Delete where inapplicable

No.	Ordinary Resolution:	Number of Votes		
		For	Against	Abstain
1	Proposed Disposal of the Entire Issued and Paid-up Share Capital of (i) Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.; (ii) Gold Purple Pte. Ltd.; and (iii) BU2 Services Pte. Ltd., to Maxi-Cash Financial Services Corporation Ltd.			

The resolution put to the vote at the EGM shall be conducted by way of poll. If you wish the Chairman of the EGM as your proxy to cast all your votes **For** or **Against** a resolution, please indicate with an "X" within the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution. If you wish the Chairman of the EGM as your proxy to **Abstain** from voting on a resolution, please indicate with an "X" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the EGM as your proxy is directed to **Abstain** from voting in the **Abstain** box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total:	

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM**



**Notes:**

1. A member of Aspial 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 Securities and Futures Act 2001 of Singapore), 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 Aspial), 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 Aspial.
2. **A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** This Proxy Form may be accessed at Aspial's corporate website at the URL <https://www.aspial.com/investor-relations/>, and will also be made available on the SGX 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, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

CPF Investors or 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 by 5.00 p.m. on 14 September 2022.

3. The Chairman of the EGM, as proxy, need not be a member of Aspial.
4. The instrument appointing the Chairman of the EGM as proxy must be submitted to Aspial in the following manner:
  - (i) if submitted by post, be lodged at the office of Aspial's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
  - (ii) if submitted electronically, be submitted via email to Aspial at [AspialEGM@aspial.com](mailto:AspialEGM@aspial.com),

in either case, by 10.00 a.m. on 23 September 2022 (being not less than 72 hours before the time appointed for the EGM).

A member who wishes to submit the Proxy Form 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. In the alternative, a member may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

**In view of the prevailing COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

5. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy 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 the Chairman of the EGM 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. Aspial shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy 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 the Chairman of the EGM as proxy. In addition, in the case of shares entered in the Depository Register, Aspial may reject any instrument appointing the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to Aspial.

**PERSONAL DATA PRIVACY:**

By submitting this Proxy Form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM of Aspial and/or any adjournment thereof, the member of Aspial accepts and agrees to the personal data privacy terms set out in the Notice dated 2 September 2022.