

Aspial Lifestyle

 Maxi-Cash



ANNUAL
REPORT
2022



LEE HWA JEWELLERY

GOLDHEART



CORPORATE INFORMATION

BOARD OF DIRECTORS

Koh Wee Seng
(Non-Executive Chairman)

Ng Kean Seen
(Appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022)

Koh Lee Hwee
(Non-Executive Director)

Ko Lee Meng
(Non-Executive Director)

Tan Keh Yan, Peter
(Lead Independent Director)

Lee Sai Sing
(Independent Director)

Goh Bee Leong
(Independent Director)

Tan Soo Kiang
(Independent Director)

COMPANY SECRETARIES

Lim Swee Ann *(CPA, ACIS)*
Janet Tan, LLB *(Hons)*

REGISTERED OFFICE

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#32-01 UOB Plaza 1
Singapore 048624
Tel: +65 6225 2626
Fax: +65 6557 0765

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SPONSOR

SAC Capital Private Limited
1 Robinson Road,
#21-00 AIA Tower
Singapore 048542

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge
Tan Peck Yen
(Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
(Since the financial year ended 31 December 2021)

PRINCIPAL BANKERS

CIMB Bank Berhad
DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

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

The contact person for the Sponsor is Mr David Yeong, SAC Capital Private Limited, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.



Destinée by Lee Hwa Jewellery

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Non-Executive Chairman
and Chief Executive Officer
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MESSAGE FROM NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear Shareholders

On behalf of the Board, we are pleased to present Aspial Lifestyle Limited's (the "**Company**") and together with its subsidiaries, the "**Group**",) annual report for the financial year ended 31 December 2022 ("**FY2022**").

The year 2022 has been eventful as the world at large further extricated itself from the effects of the COVID-19 pandemic. Vaccinations continued to roll out at a steady pace and restrictions were gradually lifted and borders reopened. The world also reeled from the Russia-Ukraine conflict which brought about knock-on effects of inflation and higher interest rates.

Against this backdrop, the Group has forged ahead on its plans to elevate our capabilities, potential and performance where we saw growth in all our retail and pawnbroking businesses.

A key development for the year was the acquisition of the jewellery business from our controlling shareholder, Aspial Corporation Limited ("**Aspial Corporation**") as part of our strategy to transform our retail business into a consumer lifestyle powerhouse.

The acquisition involved the purchase of all the issued ordinary shares in Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.), Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd., thus expanding our range of brands to include the well-known "Lee Hwa" and "Goldheart" brands – two of the largest jewellery retail chains in Singapore.

This allows us greater focus and synergy as we leverage on the two established brands which have strong brand equity, innovative concepts, a competent management team, a strong customer base, and a prime store network of 25 retail outlets islandwide.

Our enlarged scale of business and operations facilitates the better management of talent across all business functions by providing a larger platform and more diverse career opportunities. This will allow us to better attract, train and retain talent, which will in turn help drive long-term growth.

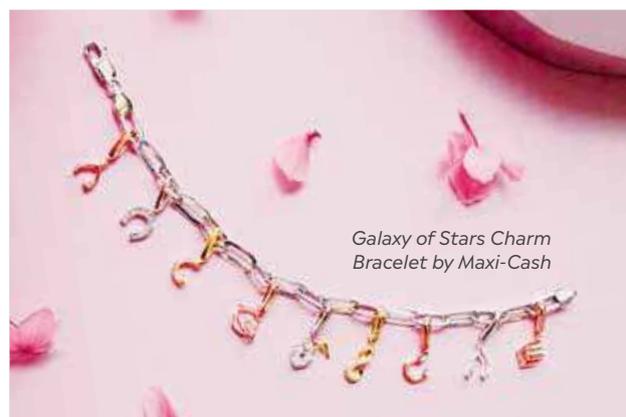
To reflect our transformed position with a significantly expanded consumer lifestyle related businesses, we have renamed ourselves to Aspial Lifestyle Limited.



Supernova Diamond by Lee Hwa Jewellery



Goldheart Celestial Diamond



Galaxy of Stars Charm Bracelet by Maxi-Cash

MESSAGE FROM NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The acquisition which was completed during the fourth quarter is earnings accretive and had contributed significantly to our fourth quarter and full year results.

On a similar note, the pawnbroking business also saw healthy growth for the year under review. The segment also made headway in regional expansion via an acquisition into a Malaysian pawnbroking chain.

The agreement involved the Group acquiring a 65% stake in Maxis Holdings Sdn Bhd which owns three pawnshops operating under “Dr. Pajak” brand - the first drive-through pawnbroking chain store in Malaysia.

The acquisition will strengthen our existing presence in Malaysia while providing further opportunities for the Group to grow by enhancing our local network and customer base.

THE YEAR IN NUMBERS

For the year under review, Group revenue increased by 41.3% or \$93.3 million to \$319.0 million due to higher revenue from the retail and trading of jewellery and branded merchandise segment which saw significant contribution from the newly acquired jewellery business. Revenue was also boosted by the increase in interest income from the pawnbroking business while the secured lending business remained consistent.

A breakdown of performance of each segment as follows:

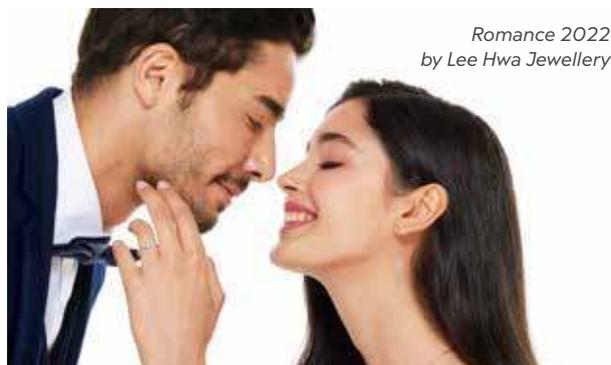
Retail and trading of jewellery and branded merchandise business reported the most significant increase as revenue from that segment climbed 49.4% to a total of \$265.4 million largely due to the abovementioned acquisition from Aspiat Corporation.

Our pawnbroking business also grew with a revenue contribution of \$51.5 million, a 11.9% increase from the \$46.0 million in FY2021. Its growth was driven by the higher interest income from its growing pledge book.

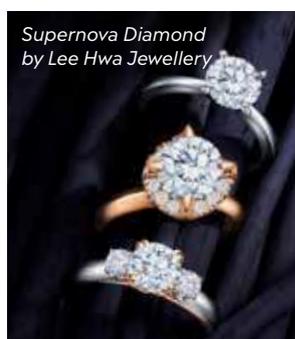
The Group’s secured lending business saw a slight increase of 1.9% to revenue to \$2.1 million for FY2022.

In line with the increase in revenue, gross profit rose by \$28.4 million from \$81.8 million in FY2021 to \$110.2 million for the year under review.

Meanwhile, the Group’s operating expenses increased in tandem with the improved results, with higher marketing expenditures, impairment loss on



Romance 2022
by Lee Hwa Jewellery



Supernova Diamond
by Lee Hwa Jewellery



LuxeSTYLE Branded
Collections by
Maxi-Cash

right-of-use assets, impairment loss on property, plant and equipment and higher professional expenses related to acquisition of subsidiaries and expenses arising from newly acquired jewellery business resulting in operating expenses for the year to increase from \$59.9 million in FY2021 to \$78.7 million for the year under review.

Likewise, the Group’s profit before tax improved from \$17.6 million in FY2021 to \$21.8 million in FY2022 due to the increase in revenue and gross profit, higher rental income and higher other income. The improvement was offset by higher operating expenses and higher finance costs.

From a valuation perspective, earnings per share remained unchanged at 1.39 cents while net asset value per ordinary share decreased from 14.01 cents to 11.63 cents for FY2022 mainly due to additional issuance of new ordinary shares relating to the acquisition of subsidiaries.

In recognition of the continued support of our shareholders, the Board has arranged for the payout of a second interim tax exempt (one-tier) dividend of 0.40 Singapore cents per ordinary share for FY2022 on 20 April 2023. This is in addition to the first interim dividend of 0.65 Singapore per ordinary share that was paid on 9 September 2022. The total dividend payout for the year under review amounts to 1.05 Singapore cents per ordinary share.

MESSAGE FROM NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

OUTLOOK

Moving forward, the Group is well-positioned to pursue the next phase of growth. As we continue to enact our growth strategies, the main concerns for all our segments are high inflation and rising interest rates.

For our retail and trading of jewellery and branded merchandise segment, continued inflation may lead to more cautious consumer spending which may soften demand for our products. Barring unforeseen circumstances, the segment is likely to maintain its progressive growth.

As for our pawnbroking segment, we will carefully monitor the operating environment for both challenges

and opportunities. The segment is expected to uphold its loan growth as the markets we are in steadily return to pre-COVID levels.

We will continue to invest further in digitalisation and automation of the business to empower our staff and customer alike with greater choices and efficiency in our day-to-day interaction and operations.

The Group will also ensure its network of stores are well-attuned to market needs and updated.

We will continue our brand building initiatives with our brand ambassadors and leverage our newfound strengths from the acquisition to propel us further.

ACKNOWLEDGEMENTS

We have achieved much for the year and that is made possible through the dedication and faith of our various stakeholders. I would like to take the opportunity to thank our fellow directors for your counsel and guidance. I would also like to thank the management and staff for their hard work and support. My appreciation also for our partners, customers, and shareholders for their continued support. We look forward to the next phase of growth and delivering sustainable value for all in FY2023.



Yixin, Artiste Co in KStyle



Rebecca Lim, Mediacorp Artiste & Goldheart Brand Ambassador in 999 Gold Si Dian Jin

Koh Wee Seng
Non-Executive Chairman

Ng Kean Seen
Chief Executive Officer

BUSINESS REVIEW

PAWNBROKING BUSINESS

For the year ended 31 December 2022, revenue for our pawnbroking business grew by 11.9% from \$46.0 million to \$51.5 million for FY2022. The improved performance was primarily due to higher interest income from the growing pledge book.

Consequently, net profit before tax of the segment also increased, rising by 12.5% to \$9.0 million for FY2022 from \$8.0 million in the previous financial year.

RETAIL AND TRADING OF JEWELLERY AND BRANDED MERCHANDISE

The retail and trading of jewellery and branded merchandise segment saw the most improvement

for the year under review mainly due to the newly acquired jewellery business. The acquisition which was completed in 4Q2022 was earnings accretive and helped elevate segmental revenue by 49.4% or \$87.8 million to \$265.4 million from the year before.

In line with the higher revenue, the segment's net profit before tax nearly doubled to \$16.5 million for the year under review.

SECURED LENDING

The Group's secured lending business reported stable year with a 1.9% increase in revenue to \$2.1 million.



Maxi-Cash Lucky Plaza

BOARD OF DIRECTORS

KOH WEE SENG

is our Non-Executive Chairman. He is also the president and Chief Executive Officer of Aspial Corporation Limited (“**Aspial**”) and is responsible for the strategic planning, overall management and business development of the Aspial Group. Since late 1994 when the new management led by him took over the reins, the Aspial Group has overcome the challenges posed by changing consumer demand by implementing wide ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led Aspial’s diversification into the real estate and financial services businesses. Mr Koh holds a Bachelor degree in Business Administration from the National University of Singapore.

NG KEAN SEEN

is the Chief Executive Officer and Executive Director of the Group and is responsible for driving the Group’s business performance in Singapore and the region. Mr Ng has more than 20 years’ experience in the jewellery retail trade, overseeing Aspial Corporation Limited’s jewellery business and managing the investments in Niessing jewellery, bullion and safe keeping businesses. Prior to this, he was working in the engineering and construction, automobile and financial services sectors. Mr Ng holds a Bachelor of Engineering with Management (Honours) from University of Leeds (UK) and obtained a Master of Science in Marketing from City University of New York (US). He has also attended executive programmes by Chicago Business School and ESSEC Business School.

KOH LEE HWEI

was our Chief Executive Officer since the Group’s listing on the Catalist Board of the SGX-ST in 2012. Mdm Koh stepped down from the position on 5 January 2015. She was re-designated as a Non-Executive Director of the Company on 5 August 2015. Prior to her appointment as the Chief Executive Officer of the Group, Mdm Koh was the Vice President (Manufacturing) and Executive Director of Aspial, where she oversaw and spearheaded the growth of Aspial’s jewellery manufacturing division and was responsible for the overall production plans, technology, management and development of Aspial’s jewellery production. Mdm Koh had more than 20 years of experience in the jewellery industry before joining the Issuer. Mdm Koh holds a Bachelor degree in Arts from the National University of Singapore.

KO LEE MENG

was appointed as our Non-Executive Director on 28 July 2008. Mdm Ko has accumulated more than 25 years of experience in the jewellery industry and helped to set up the merchandising team for our Company when it was incorporated in 2008. She is currently a Non-Executive Director of Aspial and also the Executive Director, Deputy Chairman and Chief Executive Officer of Global Premium Hotels Limited. Mdm Ko holds a Bachelor degree in Arts from the National University of Singapore.

TAN KEH YAN, PETER

is our Lead Independent Director. Between 1972 and 2003, he was employed by DBS Bank Ltd. and last held the position of Managing Director of Enterprise Banking at DBS Bank Ltd. In early 2004, he joined Redwood Capital Pte Ltd, a wealth management and advisory firm as its Managing Director until 2005 when he left the company. Mr Tan is also an Independent Director at Asia Enterprises Holding Limited. Mr Tan graduated with a Bachelor of Science degree (Honours) from the University of Singapore in 1972 and from the University of California, Los Angeles, with a Master of Business Administration in 1985.

LEE SAI SING

is our Independent Director. He is presently the Executive Director of Maxi-Harvest Group Pte. Ltd., which focuses on investments in South East Asia. Mr Lee has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructurings, pre-initial public offerings and initial public offerings. Mr Lee has worked in the fund management industry for many years in major financial institutions such as Government of Singapore Investment Corp, BNPParibas Private Bank and Maybank-Kim Eng. Mr Lee graduated with a Bachelor degree in Applied Science (Computer Engineering) from Nanyang Technological University in 1995.

GOH BEE LEONG

was appointed as our Independent Director on 19 October 2015. She has 40 years of extensive experience in the healthcare industry. During this time, she has held several senior management positions across diversified functions. These include manufacturing, quality control, product development and marketing of generic pharmaceuticals. Ms Goh has been with Haw Par Healthcare Limited since 2003 and is currently serving as its General Manager (Manufacturing) and Director. Ms Goh holds a Bachelor of Science (Pharmacy) from the National University of Singapore.

TAN SOO KIANG

was appointed as our Independent Director on 12 July 2016. Mr Tan brings to the Board over 40 years of experience in legal practice and has held various appointments in the legal and judicial branch of the Legal Service before entering private practice in 1992. He joined Messrs Wee Swee Teow & Company as a Partner and his areas of practice encompassed both civil and criminal litigation. Mr Tan retired from law practice in 2015. He has also been an active volunteer in social and community services for many years for which he was awarded the Public Service Medal in 2007 and the Public Service Star in 2013. Mr Tan has held various appointments and directorships through the years. He currently serves as (a) Chairman, Institutional and Disciplinary Advisory Committee/Discipline Advisory Committee for Prison Service under Ministry of Home Affairs; (b) Independent Director of Pertama Holdings Pte. Ltd.; (c) Independent Director of iShine Cloud Limited; (d) Independent Director of Lew Foundation Limited; (e) Board member, St Andrew's Mission Hospital Board; (f) Chairman, St Andrew's Autism Centre and St Andrew's Autism School; (g) Chairman, St Andrew's Junior College Board of Governors; and (h) Deputy Chairman, St Andrew School Board of Governors. Mr Tan graduated from the University of Singapore with a Bachelor of Laws (Honours) degree and was admitted as Advocate and Solicitor of the Supreme Court of Singapore in 1977.

KEY MANAGEMENT

OH KWOK FON

is the Group's Assistant Finance Director and is responsible for the Group's financial policies, accounting and internal control systems, strategic financial planning and analysis and compliance with audit and statutory requirements. He joined Aspial Corporation Limited in 2018 where he led a company-wide finance transformation initiative and also oversaw the Finance function of the Jewellery business. In 2020, his portfolio was enlarged to include the Finance function of the Maxi-Cash business. Mr Oh has accumulated more than 15 years of finance professional experience in multiple finance functions including with Messrs Ernst and Young Singapore, United Parcel Service (UPS), Sanofi and IKEA. Mr Oh holds a Bachelor degree in Accountancy from Nanyang Technological University of Singapore and a Master of Business Administration from Curtin University, Australia.

LIM POH MENG

is the Group's Merchandising Director and is responsible for all aspects of merchandising across the Group. Prior to joining the Group, Mr Lim accumulated more than 25 years of experience in retail merchandising across various categories and products, regional and in Singapore with both luxury and mass merchandise. Mr Lim brings with him a wealth of management experience that serves to elevate the capabilities of the Group's merchandising organisation. Mr Lim holds a Diploma in Fashion Merchandising from LaSalle International Fashion School.

LEE YEW TECK

is the Assistant Operations Director of our Maxi-Cash business for Singapore and is responsible for the operations of the retail and pawnbroking business. Prior to the appointment, Mr Lee was the Assistant Operations Director in Aspial Corporation Limited for the jewellery business where he was overseeing the operations of the jewellery brands - Lee Hwa Jewellery & Goldheart Jewelry. Mr Lee has more than 20 years' experience in retail operations.

TOH YEN HOON

is the Retail & Marketing Director of our Maxi-Cash business in Singapore and the region. She is fully responsible for the marketing function for both retail outlets and e-commerce. Ms Toh joined Aspial Corporation Limited in 2018 and was the Business Director for Lee Hwa Jewellery brand. Prior to this, Ms Toh has held senior marketing positions in education, automotive and medical aesthetics sectors, accumulating more than 20 years of experience. Ms Toh holds a Bachelor degree in Arts, majoring in Communications and Public Relations, from Deakin University (Australia).

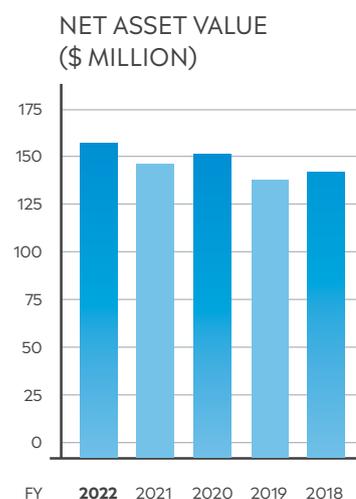
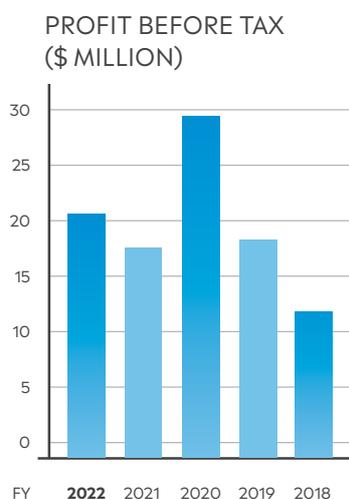
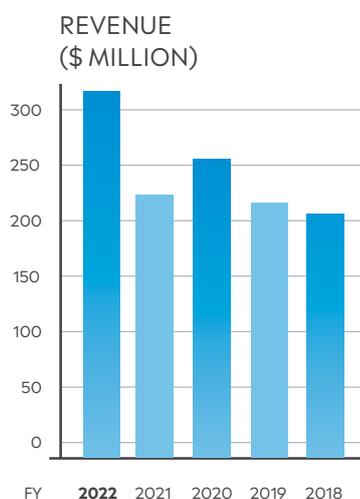
PATSY LOO

is the Business Director of our Jewellery business in Singapore. She oversees brand development & marketing, product designs and retail concept development and is also responsible for setting the brand and business strategies for Goldheart Jewelry and Lee Hwa Jewellery, defining the brand territory and narrative as well as planning the overall omnichannel marketing execution. Prior to this, Ms Loo was a brand builder in prominent food and beverage and cosmetics and retail companies. She holds a Bachelor of Arts in Communication studies from Monash University and a Cornell executive management programme diploma.



*Phyllis Quek & Tasha Low,
Maxi-Cash Brand Ambassadors*

FINANCIAL HIGHLIGHTS



	2022	2021	2020	2019	2018
(\$'000)					
Revenue	319,008	225,703	262,821	218,478	203,651
Profit Before Tax	21,804	17,583	29,252	17,939	12,066
Profit After Tax	16,077	14,541	29,389	14,936	10,485
Total Equity	160,364	150,556	152,609	138,893	141,147
Net Asset Value	159,193	149,426	151,574	138,034	140,127
Earning Per Share (cents)	1.4	1.4	2.8	1.4	1.0



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.) (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to observing and maintaining high standards of corporate governance with specific reference made to the principles and guidelines as set out in the Code of Corporate Governance 2018 (the “**Code**”). This report describes the Group’s corporate governance practices with specific references to the Code and accompanying Practice Guidance pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Board is pleased to report that the Company has adhered to the principles and provisions as set out in the Code for the financial year ended 31 December 2022 (“**FY2022**”), except where otherwise explained. In areas where the Company’s practices vary from any of the provisions of the Code and the Practice Guidance, the Company has stated herein the provision of the Code and the Practice Guidance from which it has varied, and appropriate explanations are provided for the variations, and how the practices the Company had adopted are consistent with the intent, aim and philosophy of the relevant principles of the Code and the Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS (Principles 1, 2 and 3)

Principle 1: The company is headed by an effective Board which is collectively responsible and works with the management of the company (the “Management”) for the long-term success of the company.

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

THE BOARD’S CONDUCT OF AFFAIRS

The Board’s role is to:

- provide entrepreneurial leadership, set strategic directions, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, and to achieve an appropriate balance between risks and the Company’s performance;
- constructively challenge the Management and review the performance of the Management;
- set the Group’s corporate values and ensure that obligations to shareholders and other stakeholders are understood and met;
- instill an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture;
- ensure transparency and accountability to key stakeholder groups; and
- consider value creation, innovation and sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Directors are able to objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibilities and actively help the Management in the development of strategic proposals and oversees the effective implementation by the Management to achieve the objectives set. All Directors are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is to abstain from voting in relation to the conflict related matters.

The Company has adopted internal guidelines setting forth matters that require the Board's approval and clear directions have also been given to the Management that the following matters must be approved by the Board under such guidelines:

- Financial results announcements and financial statements;
- Declaration of interim dividends and proposal for final dividends;
- Interested person transactions;
- Sustainability report;
- Convening of shareholders' meetings;
- Authorisation of merger and acquisition transactions; and
- Authorisation of major transactions.

Upon appointment of a new Director, the Company will provide a formal letter to the Director setting out, amongst others, his roles, obligations, duties and responsibilities as a member of the Board. Newly appointed Directors will also be briefed on the Group's business, its strategic directions and corporate governance policies as well as industry-specific knowledge. Familiarisation visits can be organised, if necessary, to facilitate a better understanding of the Group's business operations. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, the Company will arrange for the SGX-ST's prescribed training courses organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties for the Directors.

As at the date of this report, all Directors have attended the prescribed sustainability training course authorised by the Singapore Exchange Regulation ("**SGX Regco**") to equip themselves with basic knowledge on sustainability matters. Mr Ng Kean Seen, who had been appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022, do not have any prior experience as a director of an issuer listed on the SGX-ST. The Company had made arrangements for him to attend the training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one year from the date of his appointment to the Board.

Regular training, particularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, will be arranged and funded by the Company for all Directors, from time to time. During the period under review, Directors are provided with briefings and updates (i) on the developments in financial reporting and governance standards by the external auditors, Ernst & Young LLP ("**EY**"); and (ii) on changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings, so as to enable them to make well-informed decisions and to properly discharge their duties as the Board or Board Committee members. All Directors were updated on the Code which applies to the Annual Report covering financial years commencing from 1 January 2019.

The Company Secretary briefed the Board on the latest changes to the Catalist Rules, as part of a continued effort to update the Board on the Group's processes towards regulatory compliance.

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

All of the Directors have objectively discharged their duties and responsibilities at all times in the interests of the Company. The Board has, without abdicating its responsibility, delegated certain matters to specialised committees of the Board. These committees include the Audit Committee (the "AC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC") (collectively, the "Board Committees"). The Board Committees assist the Board in carrying out and discharging its duties and responsibilities efficiently and objectively. The majority of the members of the Board Committees, including the Chairman, are independent. The Board Committees function within clearly defined terms of references setting out their compositions, authorities and duties, including reporting back to the Board, and operating procedures. The effectiveness of the Board is also reviewed by the Board on an annual basis. Information on the Board Committees and their respective terms of reference can be found in the subsequent sections of this report.

For FY2022, the Board had met on a quarterly basis as warranted. Ad-hoc meetings were also convened to discuss and deliberate on urgent substantive matters or issues. The constitution of the Company (the "Constitution") provides for the Board to convene meetings via telephone conferencing and video conferencing. The details of the number of Board and Board Committees meetings held in FY2022 and the attendance of each Director at those meetings are disclosed below:

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Koh Wee Seng	4	4	2	2	1	1	1	1
Ng Kean Seen ⁽¹⁾	4	3	2	1	1	NA	1	NA
Koh Lee Hwee	4	4	2	2	1	1	1	1
Ko Lee Meng	4	4	2	2	1	1	1	1
Tan Keh Yan, Peter	4	4	2	2	1	1	1	1
Lee Sai Sing	4	4	2	2	1	1	1	1
Goh Bee Leong	4	4	2	2	1	1	1	1
Tan Soo Kiang	4	4	2	2	1	1	1	1
Ng Leok Cheng ⁽²⁾	4	1	2	1	1	1	1	1

Note:

- (1) Mr Ng Kean Seen had been appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022.
- (2) Mr Ng Leok Cheng had resigned as the Chief Executive Officer and Executive Director with effect from 31 March 2022.

While the Board considers Directors' attendance at Board and Board Committee meetings important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by the Directors in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group.

As the ability to commit sufficient time and attention to the Group's affairs is essential for the individual Director's contribution and performance, the Board has considered the number of listed directorships each of its Directors can hold after taking into consideration factors such as the expected and/or competing time commitments of the Directors, the size and composition of the Board as well as the nature and scope of the Group's operations and size. As a guide, Directors should not have more than six (6) listed company board representations. None of the Directors of the Company sit on the boards of more than six (6) listed companies.

The NC determines annually whether a Director with other listed company board representations is able to and has been adequately carrying out his or her duties as a Director of the Company. The NC has reviewed and is satisfied that in FY2022, where Directors had other listed company board representations, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately carry out their duties as Directors of the Company.

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

All Directors have unrestricted access to the Company's records and information. To enable the Board to fulfill its responsibilities, the Management provides the Board with management reports on a regular and timely basis, with relevant and adequate information prior to the Board meetings. Prior to each Board meeting, the Board is provided with the relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. During each Board meeting, progress reports of the Group's business operations are also presented to the Board by the Management. The Board also has separate and independent access to the Company Secretary and the Company senior management.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the requirements under the Companies Act 1967 of Singapore, Securities and Futures Act 2001 of Singapore and all other regulations of the SGX-ST are complied with. The appointment and removal of the Company Secretary is a matter for consideration for the Board as a whole.

In the furtherance of its duties, the Board may obtain professional advice and assistance from the Company Secretary or independent external professionals if necessary, and the cost of such advice and assistance will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

As at 31 December 2022, the composition of the Board is as follows:

Name and Age of Director	Appointment Position	Date of first appointment as a Director	Date of last re-election as a Director	Length of Service as a Director (as at 31 December 2022)	Board Committee(s) Served on	Present Directorships in other Listed Companies	Past Directorships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022)	Major Appointments (other than Directorship)	Academic and Professional Qualifications
Koh Wee Seng ⁽¹⁾ , 54	Chairman and Non-Executive Director	10 April 2008	30 April 2021	14 years 8 months	Nil	Aspial Corporation Limited AF Global Limited	World Class Global Limited (Delisted with effect from 30 July 2021)	Nil	Bachelor of Business Administration, National University of Singapore
Ng Kean Seen ⁽²⁾ , 51	Chief Executive Officer and Executive Director	1 April 2022	29 April 2022	8 months	Nil	Nil	Nil	Nil	Master of Science in Marketing, The City University of New York Bachelor of Engineering with Management (Honours), University of Leeds
Koh Lee Hwee ⁽¹⁾ , 56	Non-Executive and Non-Independent Director	10 April 2008	29 April 2022	14 years 8 months	Nominating Committee (Member)	Aspial Corporation Limited	World Class Global Limited (Delisted with effect from 30 July 2021)	Nil	Bachelor of Arts, National University of Singapore
Ko Lee Meng ⁽¹⁾ , 61	Non-Executive and Non-Independent Director	28 July 2008	10 June 2020	14 years 5 months	Audit Committee (Member) Remuneration Committee (Member)	Aspial Corporation Limited	Nil	Nil	Bachelor of Arts, National University of Singapore
Tan Keh Yan, Peter, 74	Non-Executive and Lead Independent Director	16 April 2012	30 April 2021	10 years 8 months	Audit Committee (Chairman) Remuneration Committee (Member) Nominating Committee (Member)	Asia Enterprises Holding Limited	Sin Heng Heavy Machinery Limited	Nil	Bachelor of Science (Honours), University of Singapore Master of Business Administration, University of California, Los Angeles

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Name and Age of Director	Appointment Position	Date of first appointment as a Director	Date of last re-election as a Director	Length of Service as a Director (as at 31 December 2022)	Board Committee(s) Served on	Present Directorships in other Listed Companies	Past Directorships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2023)	Major Appointments (other than Directorship)	Academic and Professional Qualifications
Lee Sai Sing, 51	Non-Executive and Independent Director	16 April 2012	29 April 2022	10 years 8 months	Remuneration Committee (Chairman) Audit Committee (Member) Nominating Committee (Member)	Transit-Mixed Concrete Ltd	Nil	Nil	Bachelor of Applied Science (Computer Engineering), Nanyang Technological University, Singapore
Goh Bee Leong, 68	Non-Executive and Independent Director	19 October 2015	29 April 2022	7 years 2 months	Nominating Committee (Chairman) Remuneration Committee (Member) Audit Committee (Member)	Nil	Nil	Nil	Bachelor of Science (Pharmacy), University of Singapore
Tan Soo Kiang, 72	Non-Executive and Independent Director	12 July 2016	30 April 2021	6 years 5 months	Audit Committee (Member) Remuneration Committee (Member) Nominating Committee (Member)	Nil	Nil	Institutional Discipline Advisory Committee under Prisons Regulations (Chairman) St. Andrew's Mission Hospital (Board Member) St. Andrew's Autism Centre and Autism School (Chairman) St. Andrew's Junior College Board of Governors (Chairman) St. Andrew's School Board of Governors (Deputy Chairman) St. Andrew's Mission School Management Committee (Chairman)	Bachelor of Law (Honours), University of Singapore

Notes:

- (1) Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are siblings.
- (2) Mr Ng Kean Seen had been appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022.

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

The Board currently comprises eight (8) Directors, four (4) of whom are Independent Directors. Under Provision 2.2 of the Code, it provides that independent directors make up a majority of the board where the chairman is not independent. The Company notes that the current Board composition is not in compliance with Provision 2.2 of the Code. However, the Board is of the opinion that based on the Group's current size and operations, it is not necessary nor cost effective to have Independent Directors make up a majority of the Board. The NC is of the view that the current Board composition is of an appropriate size, and comprises Directors who as a group, provide the appropriate level of independence, balance and mix of skills, knowledge, experience, and are sufficiently diverse so as to foster constructive debate. No individual or small group of individuals dominates the Board's decision making. Further, the Chairman of the Board will abstain from exercising his casting vote as provided for in the Company's Constitution. As at the date of this report, the Board comprises seven (7) Non-Executive Directors which make up a majority of the Board.

The independence of each Director will be assessed and reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. Following the recent revision to the Code, the Catalyst Rules has been amended to be consistent with the Code. In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been codified into the Catalyst Rules to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalyst Rules, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three (3) financial years.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The Board has considered the present Board size and is satisfied that the current size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations. In identifying the need for new directors, the Board's primary consideration is to ensure that the Board consists of an appropriate mix of members with complementary skills, core competencies and experience that could contribute effectively to the Group.

The Board has a diversity policy which requires the NC to review the Board's diversity in skills, industry, business experience, gender, age, ethnicity and other attributes among the Directors, with the objective of bringing to the Board different perspectives, experiences and competencies. To maintain or enhance the balance and diversity of the Board, the Board's composition is reviewed by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board comprises persons with diverse skills, experience and knowledge to the Company and provides a diversity of gender with five (5) male Directors and three (3) female Directors. The Board members also collectively possess the necessary core competencies such as accounting, finance, investment, business and management experience, corporate governance, industry knowledge and strategic planning experience for the effective functioning of the Board.

The Independent Directors have the necessary experience and expertise to assist the Board in decision-making and provide greater balance to the Board as they do not participate in the day-to-day running of the Group. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of the Management and extend guidance to the Management. Non-Executive Directors have been actively participating in discussions and decision-making at the Board and Board Committees meetings, and had open discussions with the Management. Where necessary, the Non-Executive Directors, led by the Lead Independent Director, meet and discuss on the Group's affairs without the presence of the Management and the Chairman of the Board. The feedback and views expressed by the Non-Executive Directors were communicated by the Lead Independent Director to the Board and/or Chairman of the Board after the meeting, as appropriate.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. The responsibilities of the Chairman include:

- leading the Board to ensure its effectiveness;
- setting agenda for Board meetings and ensuring adequate time for discussion;
- promoting openness and discussion during Board meetings;
- ensuring that Directors receive complete, adequate and timely information;
- ensuring effective communication with the shareholders and other stakeholders;
- encouraging constructive relations within the Board and between the Board and the Management;
- facilitating effective contributions of the Non-Executive Directors; and
- promoting high standards of corporate governance.

The key responsibilities of the CEO include overseeing the day-to-day management of the Group, leading and implementing all major initiatives (such as expansion related strategies, acquisitions and capital investments) of the Group, and playing an instrumental role in the sustainable development and growth of the Group's business.

The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. For FY2022, the positions of the Chairman and the CEO are held by Mr Koh Wee Seng and Mr Ng Kean Seen respectively.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

For good corporate governance, the Board has appointed Mr Tan Keh Yan, Peter as the Lead Independent Director of the Company. He is available to address the concerns of the shareholders and employees in the event that interactions with the Non-Executive Chairman, CEO or Assistant Finance Director cannot satisfactorily resolve their concerns or where such channel of communications is considered inappropriate or inadequate. No queries or requests on any matters were received in FY2022 which required the Lead Independent Director's attention.

BOARD MEMBERSHIP & PERFORMANCE (Principles 4 and 5)

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

NOMINATING COMMITTEE

The NC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the NC Chairman, are independent. The members of the NC are as follows:

Goh Bee Leong	Chairman	Independent Director
Tan Keh Yan, Peter	Member	Lead Independent Director
Lee Sai Sing	Member	Independent Director
Tan Soo Kiang	Member	Independent Director
Koh Lee Hwee	Member	Non-Executive Director

NOMINATING COMMITTEE (CONTINUED)

The NC will meet once a year. The NC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board on all Board appointments, including the nomination or re-nomination of Directors having regard to the Directors' contribution and performance;
- reviewing the succession plans for the Chairman of the Board, Directors, CEO and key management personnel of the Company;
- developing a process for the selection, appointment and re-appointment of Directors to the Board;
- reviewing induction programs for new Directors, as well as the training and professional development programs for the continuing training of the Directors;
- determining on an annual basis whether or not a Director is independent bearing in mind the salient factors set out in the Code;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the Director has multiple listed company board representations;
- assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;
- recommending to the Board the development of a performance evaluation framework and deciding how the performance of the Board may be evaluated and proposing objective performance criteria. The NC Chairman should act on the results of the performance evaluation, recommend areas that need improvement and, where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC;
- reviewing the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking in account Rule 406(3)(c) of the Catalist Rules and Provisions 2.1 to 2.4 of the Code) and make recommendations to the Board with regard to any changes; and
- reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place.

In its selection of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. The Board conducts an initial assessment to review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and right skills will be considered before the Board makes its final decision on the appointment. For re-appointment of Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour).

The NC ensures that new directors are aware of their duties and obligations. Information in respect of the academic and professional qualification and present and past directorships is set out in the "Board Composition and Guidance" section of this report. For FY2022, the Board is of the view that all Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and other principal commitments. Having reviewed each Director's attendance, participation, contribution, expertise and competing time commitments, the Board (with the NC's concurrence) is of the view that none of the Directors hold a significant number of directorships and other principal commitments that may impede his/her ability to discharge his/her duties. The Board further notes that none of the Directors hold six (6) or more listed company directorships. Further information on multiple directorships can be found under "The Board's Conduct of Affairs" of this report.

CORPORATE GOVERNANCE REPORT

NOMINATING COMMITTEE (CONTINUED)

The NC determines the criteria on which Board performance is to be evaluated and, subject to the approval of the Board, proposes objective performance criteria which address how the Board has enhanced long-term shareholders' value.

The Board has implemented a formal annual process to be carried out by the NC to assess the effectiveness of the Board as a whole, its Board Committees, the Chairman of the Board and the individual Director's performance. For FY2022, the Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board Performance Evaluation checklist which covers several parameters such as Board composition, conduct of meetings, Board process, Board accountability, risk management and internal control, measuring and monitoring performance as well as communication with shareholders. The assessment of the Chairman of the Board is based on his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board and that the time devoted to Board meetings were appropriate and Board meetings are conducted in a manner that facilitate open communication and meaningful participation for effective discussion and decision-making by the Board. The performance criteria taken into account by the NC in relation to an individual Director include, inter alia, the Director's interactive skills, industry knowledge, contribution and workload requirements, sense of independence and preparation at the Board and Board Committees meetings. To ensure confidentiality, the evaluation checklists completed by the Directors were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2022, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. There was no external consultant involved in the Board evaluation process in FY2022.

The NC will continue to review formal assessment processes for evaluating Board performance, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC and the Board shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three (3) years. The Company's Constitution provides that at least one-third of the Board shall retire from office by rotation and are subject to re-election at every AGM. The NC has reviewed and is satisfied that the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions.

The NC recommended to the Board that Ms Ko Lee Meng, Mr Tan Keh Yan, Peter and Mr Tan Soo Kiang who are retiring pursuant to Regulation 89 of the Company's Constitution and where applicable, Rule 720(4) of the Catalist Rules of the SGX-ST. The Board has accepted the recommendation of the NC, can be found under the section entitled "Board Matters – Board Composition and Guidance". More information on Ms Ko Lee Meng, Mr Tan Keh Yan, Peter and Mr Tan Soo Kiang. The re-appointments of Ms Ko Lee Meng, Mr Tan Keh Yan, Peter and Mr Tan Soo Kiang shall be subject to shareholders' approval at the forthcoming AGM.

The NC also determines, on an annual basis, the independence of the Directors. For FY2022, the NC has assessed and affirmed the status of each Director as follows:

Koh Wee Seng	Non-Independent
Ng Kean Seen	Non-Independent
Koh Lee Hwee	Non-Independent
Ko Lee Meng	Non-Independent
Tan Keh Yan, Peter	Independent
Lee Sai Sing	Independent
Goh Bee Leong	Independent
Tan Soo Kiang	Independent

The Company has complied with Rule 720(5) of the Catalist Rules as the information relating to the retiring Directors who are submitting themselves for re-election, including their appointment dates, directorships held in other listed companies presently and in the past five (5) years, as well as their principal commitments, can be found under the section entitled "Additional Information on Directors Nominated for Re-election - Appendix 7F" of the Catalist Rules of this Annual Report. Negative disclosures as set out on pages 35 to 38 were provided by the retiring Directors who are submitting themselves for re-election on each item in Appendix 7F (a) to (k) of the Catalist Rules.

The Company does not have any alternate Directors.

REMUNERATION MATTERS (Principle 6, 7 and 8)

- Principle 6:** The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.
- Principle 7:** The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.
- Principle 8:** The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

REMUNERATION MATTERS

The RC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the RC Chairman, are independent. The members of the RC are as follows:

Lee Sai Sing	Chairman Independent Director
Tan Keh Yan, Peter	Member Lead Independent Director
Goh Bee Leong	Member Independent Director
Tan Soo Kiang	Member Independent Director
Ko Lee Meng	Member Non-Executive Director

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each of the Directors and key management personnel which are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- setting performance measures and determine targets for any performance-related pay schemes, as necessary, that are operated by the Company;
- ensuring that a significant and appropriate proportion of the Executive Director's and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that the performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;
- ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- reviewing and administering the award of shares to Directors and employees under the employee performance share plan adopted by the Company; and
- reviewing and determining the contents of any service contracts for any Directors or key management executives, and ensuring that the termination clauses in the service contracts, if any, are fair and reasonable, and not overly generous.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

The RC ensures that a formal and transparent procedure is in place for determining the remuneration packages of individual Directors and key management personnel. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC abstains from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he/she will abstain from participating in the review.

No remuneration consultants were engaged by the Company in FY2022. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. Where remuneration consultants are appointed, the Company will disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. Having reviewed and considered the variable components of the Executive Directors and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Executive Directors do not receive Directors' fees but are remunerated as members of the Management. The remuneration package of the Executive Directors and the key management personnel comprises a basic salary component and a variable component (which is the annual bonus), based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Director with those of the shareholders and link rewards to the Group's financial performance. Service agreements for the Executive Director are for a fixed appointment period and do not contain onerous removal clauses.

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and Board Committees. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

In addition, the Company has implemented an employee performance share plan as part of a compensation plan to motivate Directors and employees of the Group of dedication, loyalty and higher standards of performance. The Maxi-Cash Performance Share Plan 2022 (the "**Share Plan**") was approved and adopted by the shareholders of the Company at an extraordinary general meeting ("**EGM**") held on 29 April 2022.

The Share Plan is administered by the RC. The names of the members of the RC are as stated above.

A participant's award under the Share Plan will be determined at the absolute discretion of the RC. In considering the grant of an award to a participant, the RC may take into account such criteria as it considers fit, including but not limited to:

- (a) in the case of a Group employee, his rank, job performance, year(s) of service, potential for future development, and his contribution to the success and development of the Group;
- (b) in the case of a performance-related award to be granted to a Group employee, the difficulty with which the performance condition(s) may be achieved within the performance period; and

REMUNERATION MATTERS (CONTINUED)

- (c) in the case of a Non-Executive Director, his board and board committee appointments and attendance, and his contribution to the success and development of the Group.

For the avoidance of doubt, no performance-related awards may be granted to Non-Executive Directors under the Share Plan.

The aggregate number of shares which may be issued or transferred pursuant to the awards granted under the Share Plan, when added to (i) the number of shares issued and issuable and/or transferred or transferable in respect of all awards granted under the Share Plan; and (ii) all shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of the award.

During FY2022, 1,100,800 shares have been granted under the Share Plan. For further details of the Share Plan, please refer to the Company's Circular to Shareholders dated 13 April 2022.

Disclosure on Directors' Fees and Remuneration

A breakdown showing the level and mix of the remuneration of each individual Director for FY2022 is set out below:

Remuneration bands	Salary ⁽¹⁾ (%)	Benefits	Variable or performance bonus (%)	Directors' Fees ⁽²⁾ (%)	Total (%)
Directors					
<u>S\$750,000 to S\$1,000,000</u>					
Ng Kean Seen ⁽³⁾	38.60	–	61.40	–	100.00
<u>Below S\$250,000</u>					
Koh Lee Hwee	–	–	–	100.00	100.00
Koh Wee Seng	–	–	–	100.00	100.00
Ko Lee Meng	–	–	–	100.00	100.00
Tan Keh Yan, Peter	–	–	–	100.00	100.00
Lee Sai Sing	–	–	–	100.00	100.00
Goh Bee Leong	–	–	–	100.00	100.00
Tan Soo Kiang	–	–	–	100.00	100.00

Notes:

- (1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.
(2) Directors' fees are subject to the approval of the shareholders of the Company at the forthcoming AGM.
(3) Mr Ng Kean Seen had appointed as the Executive Director and Chief Executive Officer with effect from 1 April 2022.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

The Remuneration of Key Management Personnel (who are not Directors or the CEO)

The Group has five (5) key management personnel. The remuneration of the top five (5) key management personnel comprises of fixed component and variable component. Fixed component is in the form of fixed salary whereas variable component is linked to the performance of the Group's business and individual performance.

A breakdown of the level and mix of the remuneration payable to each top five (5) key management personnel for FY2022 are as follows:

Remuneration Bands	FY2022			
	No. of key management personnel	Salary (including Central Provident Fund) %	Bonus, profit sharing %	Other Benefits %
S\$250,000 to below S\$500,000	1	68.72	31.28	–
Below S\$250,000	4	66.46	33.54	–

The Board has reviewed the disclosure of the remuneration of the Directors and key management personnel and has decided not to fully disclose their remuneration and the names of the key management personnel. In view of the confidentiality and sensitivity on remuneration matters as well as the competitive business environment the Company operates in, the Board believes that such disclosure may be prejudicial to its businesses and harm its commercial interests.

The total remuneration paid to the top four (5) key management personnel was S\$1,176,781 for FY2022.

Save for Mr Koh Wee Seng (Non-Executive Chairman), Ms Koh Lee Hwee (Non-Executive Director) and Ms Ko Lee Meng (Non- Executive Director) who are siblings, there was no employee of the Group who is a substantial shareholder of the Company, or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company and was paid more than S\$100,000 during FY2022.

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 9)

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board acknowledges that it is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation.

The Company's internal control systems serve as the key in identifying and managing risks that are significant to the achievement of its business objectives. The process of risk management has been integrated into the Group's business planning and monitoring process. The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks. Appropriate measures are taken to assess, control and mitigate these risks.

The AC reviews with the external auditors, as part of their statutory audit, the adequacy and effectiveness of the Group's internal controls relevant to the preparation of financial statements. In its review of the financial statements for FY2022, the AC is of the view that the financial statements are fairly presented in conformity with the relevant Singapore Financial Reporting Standards (International) in all material aspects. In the review of the financial statements for FY2022, the AC had discussed with the management and the external auditors on significant issues and assumptions that impact the financial statements. Key audit matters ("KAM") were reported by the external auditors can be found under the sections entitled "Independent Auditor's Report - Key Audit Matters" of this Annual Report. The AC reviewed the KAM and concurred and agreed with the external auditor and management on their assessment, judgements and estimates on the significant matters reported by the external auditor.

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 9) (CONTINUED)

The internal audit function of the Group performs risk assessment and conducts review on the adequacy and effectiveness of the Group's material internal controls, that addresses the Group's financial, operational, compliance and information technology controls, and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews and endorses the internal audit plan and internal audit reports of the Group.

The internal control systems maintained by the Management throughout the year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal controls or risk management could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. The adequacy and effectiveness of the Group's risk management and internal control systems and procedures will be reviewed by the AC annually. No material internal control weaknesses had been raised by the internal auditor in the course of their audits for FY2022.

Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at 31 December 2022.

The Board has also received the assurance from:

- (a) the CEO and the Assistant Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and the key management personnel who are responsible that they have evaluated the adequacy and effectiveness of the Company's risk management and internal control systems and assessed the internal auditors' reports on the Group's operations and external auditors' report on the financial statements and management letter, and noted that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations

AUDIT COMMITTEE (Principle 10)

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the AC Chairman, are independent and have accounting related or financial management experience. The members of the AC are as follows:

Tan Keh Yan, Peter	Chairman	Lead Independent Director
Lee Sai Seng	Member	Independent Director
Goh Bee Leong	Member	Independent Director
Tan Soo Kiang	Member	Independent Director
Ko Lee Meng	Member	Non-Executive Director

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (Principle 10) (CONTINUED)

The AC meets at least on a half-yearly basis during the year. The AC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing with the external auditors, the audit plan and their evaluation of the system of internal accounting controls as part of their statutory audit and monitor Management's response and actions to correct noted deficiencies;
- reviewing with the internal auditors of the Company, the adequacy, effectiveness, independence, scope and results of the internal audit and monitor Management's response to their findings to ensure that appropriate follow-up measures are taken;
- reviewing the internal control systems and procedures and ensure coordination between the external auditors and Management;
- ensuring that the Company has programmes and policies in place to identify and prevent fraud;
- overseeing the establishment and operation of the whistleblowing process in the Company;
- reviewing the assurance provided by the CEO and the Assistant Finance Director that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- reviewing the effectiveness and adequacy of the Company's administrative, operating internal accounting and financial control procedures, and ensuring compliance with accounting standards, Catalist Rules and statutory/regulatory requirements;
- ensuring that internal and external auditors have direct and unrestricted access to the AC Chairman and the Chairman of the Board;
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of periodic financial results, financial statements, and any announcements on the Company's financial performance and recommend changes, if any, to the Board;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal controls systems in relation to financial reporting and other financial-related risk and controls (and to the extent delegated to it by the Board);
- reviewing the interested person transactions and related party transactions;
- review any potential conflicts of interests that may arise in respect of any directors and/or controlling shareholders of the Company for the time being;
- evaluating the independence of the external auditors annually and recommend to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement; and
- reviewing the adequacy, effectiveness, scope and results of the external audit, and where external auditors provide non-audit services, to review the nature, extent and cost of such services and the independence and objectivity of the external auditors.

The AC has authority to investigate any matter within its terms of reference and have been given full access to, and the co-operation of, the Management and reasonable resources to enable it to discharge its function properly. The AC has full discretion to invite any Director or key management personnel to attend its meetings.

AUDIT COMMITTEE (Principle 10) (CONTINUED)

The AC is guided by its terms of reference which stipulate its principal functions. In performing its functions, the AC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit function of the Group to ensure that an effective system of internal controls is maintained in the Group. The AC has full access to the external auditors and the internal auditors and has met with them at least once during FY2022 without the presence of the Management. On a half-yearly basis, the AC also reviews the interested person transactions before their submission to the Board for approval. The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC will review the independence of the external auditors annually. The AC undertook the review of the independence and objectivity of the external auditors, EY, through discussions with the external auditors as well as reviewing the non-audit services provided and the fees paid to them. A breakdown of the audit and non-audit fees paid to the external auditors can be found under the section entitled "Notes to the Financial Statements - 8. Profit Before Tax" of this Annual Report. Based on the review, the AC is of the opinion that EY is, and is perceived to be, independent for the purpose of the Group's statutory audit. In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2023, the AC has considered the adequacy of the resources, experience and competence of EY, and has taken into account the Audit Quality Indicators relating to EY at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. On the basis of the above, the AC is satisfied with the standard and quality of work performed by EY. The AC has recommended to the Board that EY be nominated for re-appointment as the Company's external auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC (a) within a period of two (2) years commencing on the date of their ceasing to be a partner or director of the audit firm; or (b) hold any financial interest in the audit firm.

The Company has put in place a whistle-blowing policy, endorsed by the AC where employees of the Company may in confidence, raise concerns about wrongdoing or malpractice within the Company and its subsidiaries and ensure arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. The Company is committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for raising concerns in good faith. In order to facilitate whistle-blowing, details of the whistle-blowing policies, arrangements and communication channels have been made available to all employees on the Company's intranet which is accessible by all employees. No such whistle-blowing letter was received during FY2022.

The internal audit function of the Group is conducted by the internal audit team of the Company. The internal audit team performs risk assessment and conducts the review of the effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The internal auditors report primarily to the AC Chairman and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC.

The internal audit function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Board and the AC are of the opinion that the internal audit function is sufficiently resourced and internal audits are performed by competent professional staff. The AC will review annually the adequacy and effectiveness of the internal audit function to ensure that resources are adequate and that the internal audits are performed effectively.

The AC will also approve the appointment, removal, evaluation and compensation of the head of the internal audit function.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 and 12)

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of the Company's performance, position and prospects.

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Shareholders are informed of shareholders' meetings through the notice of general meeting released through SGXNet and the Company's website, within the same period. Reports and circulars are published on the Company's website. The results of the general meetings are also released on SGXNet on the same day.

All registered shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. Matters which require shareholders' approval were presented and proposed as a separate resolution. The resolutions are not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications in the notice of meeting. The Company practices having separate resolutions at general meetings for each distinct issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Shareholders can download a copy of the proxy form from the SGXNet and the Company's website.

All Directors, the Management, the Company Secretary, external auditors and legal advisors (if necessary) attend the general meetings of the Company. The procedures of the general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Shareholders are encouraged to provide their views on matters relating to the Company. All Directors attended the AGM held on 29 April 2022. The Company's external auditors, EY, were also present at the AGM and were available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

The forthcoming AGM to be held in respect of FY2022 ("**2023 AGM**"), will be held in a wholly physically format, at Aspial One, 55 Ubi Avenue 3 Level 1, Singapore 408864 on 28 April 2023. Shareholders will be able to raise questions and vote in person at the 2023 AGM. Arrangements relating to the attendance and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM and Proxy Form.

The Company currently does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on our shares that the Directors may recommend or declare in respect of any particular financial year or period will take into consideration the Group's retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which the Directors may deem appropriate. The Company may declare final dividends by way of an ordinary resolution of the shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of final dividends will be determined at the sole discretion of the Directors, subject to the approval of the shareholders. The Directors may also declare an interim dividend without the approval of the shareholders. Future dividends will be paid by the Company as and when approved by the Directors and the shareholders (if necessary). Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.

SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 and 12) (CONTINUED)

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while the Management is accountable to the Board. The Management currently provides the Board with management accounts of the Group's position, performance and prospects on a quarterly basis and as and when deemed necessary, and the Board provides shareholders with an assessment of the Company's performance, position and prospects periodically via announcements of financial results and other ad-hoc announcements as required by the SGX-ST. The Board has taken adequate steps to ensure that there is compliance towards the legislative and regulatory requirements. The Board seeks the confirmation of the Company's legal advisors, if necessary, before deciding on significant matters.

Results and other material information are released through SGXNet on a timely basis for the dissemination to shareholders and public in accordance with the requirements of the SGX-ST.

The Company does not have a dedicated investor relations team. The CEO and Assistant Finance Director are responsible for the Company's communication with shareholders. The public can provide feedback to the Company Secretary via electronic mail address or registered address.

MANAGING STAKEHOLDERS RELATIONSHIPS (Principle 13)

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who similarly are able to impact the Group's business and operations. Four (4) stakeholders groups have been identified through an assessment of their significance to the business operations. The Group has undertaken a process to determine the environmental, social and governance issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Group's Sustainability Report for further details.

The Group maintains a website at www.aspiallifestyle.com to communicate and engage with stakeholders. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's website. The Company does not practice selective disclosure of material information. The Company's website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

OTHER CORPORATE GOVERNANCE

MATTERS DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal securities code of compliance to provide to the Directors and all employees of the Group with regard to dealing in the Company's securities. During the financial year, the Company issues memos to its Directors, officers and employees prohibiting dealing in its shares during the period commencing one (1) month before the announcement of the Company's half year and full-year financial results and ending on the date of announcement of the relevant results. Directors and employees are also advised against dealing in the Company's securities when they are in possession of any unpublished material price-sensitive information of the Group at all times. In addition, the Company discourages the Directors and employees from dealing in the Company's securities on short-term considerations. All Directors are required to notify the Company Secretary of any change in his interest in the Company's shares within two (2) business days of the change. The Group confirms that it has adhered to its internal securities code of compliance for FY2022.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are reported in a timely manner to the AC and are subject to the review of the AC when a potential conflict of interest arises. The Director concerned does not participate in discussions and decisions involving the issues of conflict and refrains from exercising any influence over other members of the Board.

The Group has a general mandate from shareholders for interested person transactions as described in the Circular to Shareholders dated 24 June 2022. The IPT General Mandate which was approved and adopted by the shareholders at an extraordinary general meeting held on 12 July 2022 ("**IPT General Mandate**"), will expire at the forthcoming AGM. The Company does not seek to renew the IPT General Mandate at the forthcoming AGM.

The aggregate value of interested person transactions above S\$100,000 entered into during FY2022 is as follows:

Name of interested person	Nature of Relationship		Aggregate value of all interested person transactions during FY2022 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
			(S\$'000)	(S\$'000)
Aspial Corporation Limited (" Aspial ")	A controlling shareholder of the Company	Provision of management services	83	N/A
		Purchase of the entire issued and paid-up capital of (1) Aspial Lifestyle Group Singapore Pte. Ltd. ; (ii) Gold Purple Pte. Ltd.; and (iii) BU2 Capital Services Pte. Ltd. from Aspial-	99,800	N/A
Aspial Corporation Services Pte Ltd	An associate of the Company's controlling shareholder*, Aspial	Corporate service fee paid	3,477	N/A
Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.)	An associate of the Company's controlling shareholder*, Aspial	Sales and purchase of jewellery	417	N/A
		Provision of management services	231	N/A
		Lease of premises	1,397	N/A
AL Capital (Ubi) Pte. Ltd. (formerly known as Aspial Capital (Ubi) Pte. Ltd.)	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	1,530	N/A
Dynamic Project Management Service Pte. Ltd.	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	143	N/A
World Class Global Pte. Ltd.	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	433	N/A

INTERESTED PERSON TRANSACTIONS (CONTINUED)

Name of interested person	Nature of Relationship		Aggregate value of all interested person transactions during FY2022 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
			(S\$'000)	(S\$'000)
L.C. Hotels Pte Ltd	An associate of a Director, Koh Wee Seng and his family member	Lease of premises	149	N/A
Aspial Lifestyle Limited	Subscription of 3-year 6.05% Bonds due 2026 issued by the Company	Ko Lee Meng and child	414	N/A
		Koh Lee Hwee and spouse	92	N/A
		Goh Bee Leong	45	N/A
		Lim Kwee Hua	274	N/A
		Koh Wee Meng	1,815	N/A
		Tan Su Lan	817	N/A
		DN Global Pte. Ltd.	506	N/A
	AF Global Investment Holding Pte. Ltd.	460	N/A	

* The term "controlling shareholder" and "associate" shall have the meaning ascribed to in the Catalyst Rules.

MATERIAL CONTRACTS

Save as disclosed above in the section entitled "Interested Person Transactions", there were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the financial year ended 31 December 2022.

NON-SPONSOR FEES

During the year, non-sponsor fees of \$165,000 was paid to the Sponsor. The non-sponsor fees paid was in relation to the following conducted by the Company.

Description	Completed on
Circular to Shareholders - Proposed adoption of the Maxi-Cash Performance Share Plan 2022.	29 April 2022
Circular to Shareholders - Proposed adoption of the Shareholders' mandate for interested person transactions	12 July 2022
Circular to Shareholders - Proposed Acquisition* - Proposed Allotment of Shares - Proposed Change of Name	19 September 2022

* SAC Capital Private Limited has been appointed as the financial adviser to the Company for the purposes of the Proposed Acquisition.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules relating to Ms Ko Lee Meng, Mr Tan Keh Yan, Peter and Mr Tan Soo Kiang being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
Date of appointment	28 July 2008	16 April 2012	12 July 2016
Date of last re-appointment (if applicable)	10 June 2020	30 April 2021	30 April 2021
Age	61	74	72
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Ms Ko Lee Meng as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Ko Lee Meng's qualifications, skills, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Tan Keh Yan, Peter as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Tan Keh Yan, Peter's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Tan Soo Kiang as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Tan Soo Kiang's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title	Non-Executive and Non-Independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
Professional qualifications	Bachelor of Arts, National University of Singapore	Bachelor of Science (Honours), University of Singapore Master of Business Administration, University of California, Los Angeles	Bachelor of Law (Honours), University of Singapore
Working experience and occupation(s) during the past 10 years	October 2015 to present: Global Premium Hotels Limited – Executive Director, Deputy Chairman and Chief Executive Officer. May 1987 to October 2015: Aspial Corporation Limited – Executive Director October 2015 to present: Aspial Corporation Limited – Non-Executive Director July 2008 to present: Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Limited) – Non-Executive Director	July 2005 to present: Asia Enterprises Holding Limited – Independent Director December 2009 to April 2019: Sin Heng Heavy Machinery Limited – Independent Director	1992 to 2015: Advocate & Solicitor with Messrs Wee Swee Teow & Company

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
Shareholding interest in the listed issuer and its subsidiaries	<p><u>The Company</u></p> <ul style="list-style-type: none"> - Direct Interest - 17,581,376 shares - Indirect Interest - 976,768,192 shares <p><u>Subsidiaries of the Group</u></p> <p>Nil</p>	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are siblings.	No.	No.
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> - GP Hotel Assets Pte. Ltd. - GP Hotel Capital Pte. Ltd. - GP Hotel Heritage Pte. Ltd. - GP Hotel Investment Pte. Ltd. - GP Hotel Ventures Pte. Ltd. - Parc Sovereign Hotel Management Pte. Ltd. (struck off) 	<ul style="list-style-type: none"> - Sin Heng Heavy Machinery Limited 	<ul style="list-style-type: none"> - All Elite Security Pte. Ltd.
Present	<p>Present Directorships:</p> <ul style="list-style-type: none"> - Aspial Lifestyle Limited* (formerly known as Maxi-Cash Financial Services Corporation Ltd.) - Aspial Corporation Limited* - Aspial International Pte Ltd - Aspial Investment Holding Pte. Ltd. - Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.) - Aspial Treasury Pte. Ltd. - BU2 Services Pte. Ltd. 	<p>Present Directorships:</p> <ul style="list-style-type: none"> - Asia Enterprises Holding Limited * 	<p>Present Directorships:</p> <ul style="list-style-type: none"> - Pertama Holdings Pte. Ltd. - iShine Club Ltd. - Lew Foundation Limited <p>Principal Commitments:</p> <ul style="list-style-type: none"> - Chairman of Institutional Discipline Advisory Committee under Prisons Regulations - Board member of St Andrew's Mission Hospital - Chairman of St Andrew's Autism Centre and Autism School - Chairman of St Andrew's Junior College Board of Governors

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
	<ul style="list-style-type: none"> - Dynamic Project Management Services Pte. Ltd. - Global Premium Hotels Limited - Gold Purple Pte Ltd - Goldheart Jewelry Pte. Ltd. - GP Hotel Equity Pte. Ltd. - GP Hotel Management Pte. Ltd. - JK (Farrer Park) Pte. Ltd. - JK (Kallang Park) Pte. Ltd. - Lee Hwa Jewellery Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Pte. Ltd.) - LuxeSTYLE (Australia) Pty Ltd - LuxeSTYLE (Malaysia) Sdn Bhd - Maxi-Cash (Australia) Pty Ltd - Maxi-Cash (Central 2) Pte. Ltd. - Maxi-Cash (Central) Pte. Ltd. - Maxi-Cash (Clementi) Pte. Ltd. - Maxi-Cash (East 2) Pte. Ltd. - Maxi-Cash (East) Pte. Ltd. - Maxi-Cash (North East) Pte. Ltd. - Maxi-Cash (North) Pte. Ltd. - Maxi-Cash (West) Pte. Ltd. - Maxi-Cash Assets Pte. Ltd. - Maxi-Cash Capital Management Pte. Ltd. - Maxi-Cash Capital Pte. Ltd. - Maxi-Cash Financial Pte. Ltd. (formerly known as Maxi Financial Pte. Ltd.) - Maxi-Cash Group Pte. Ltd. - Maxi-Cash International Pte. Ltd. - Maxi-Cash Investment Holding Pte. Ltd. - Maxi-Cash Jewellery Group Pte. Ltd. - Maxi-Cash Melbourne (VIC) Pty Ltd 		<ul style="list-style-type: none"> - Deputy Chairman of St Andrew's Secondary School Board of Governors

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
	<ul style="list-style-type: none"> - Maxi-Cash Property Pte. Ltd. - Maxi-Cash Retail Pte. Ltd. - Maxi-Cash Ventures Pte. Ltd. - MC Client Service Pte. Ltd. (formerly known as Maxi-Cash (North East 2) Pte. Ltd.) - MLHS Holdings Pte Ltd - Pit-Stop Credit (SG) Pte. Ltd. - World Class Developments (Bedok) Pte. Ltd. - World Class Developments (Central) Pte. Ltd. - World Class Developments (City Central) Pte. Ltd. - World Class Developments (North) Pte. Ltd. - World Class Developments Pte. Ltd. - World Class Land Pte. Ltd. - World Class Property (North) Pte. Ltd. 		
	* Public listed company on SGX-ST	* Public listed company on SGX-ST	

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any questions is “yes”, full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
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CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Ko Lee Meng	Tan Keh Yan, Peter	Tan Soo Kiang
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No



Phyllis Quek
Maxi-Cash Brand Ambassador

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Aspial Lifestyle Limited (the “**Company**”) (formerly known as Maxi-Cash Financial Services Corporation Ltd.) and its subsidiaries (collectively, the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Koh Wee Seng
Ng Kean Seen
Koh Lee Hwee
Ko Lee Meng
Tan Keh Yan, Peter
Lee Sai Sing
Goh Bee Leong
Tan Soo Kiang

In accordance with Regulation 89 of the Company’s Constitution and/or Rule 720(5) of the Catalist Rules, Ko Lee Meng, Tan Keh Yan, Peter, Tan Soo Kiang retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

The Company	Direct interest held by directors*			Other shareholdings in which directors are deemed to have an interest		
	1 January 2022	31 December 2022	21 January 2023	1 January 2022	31 December 2022	21 January 2023
Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.)						
(Ordinary shares)						
Koh Wee Seng	111,434,121	112,684,121	107,684,121	667,724,757	975,586,698	975,586,698
Koh Lee Hwee	28,196,664	28,196,664	28,196,664	674,828,251	982,690,192	982,690,192
Ko Lee Meng	17,581,376	17,581,376	17,581,376	668,906,251	976,768,192	976,768,192
Lee Sai Sing	1,200,550	1,200,550	1,200,550	–	–	–
Immediate holding company						
Aspial Corporation Limited						
(Ordinary shares)						
Koh Wee Seng	406,595,923	406,595,923	403,595,923	1,166,083,944	1,166,083,944	1,166,083,944
Ng Kean Seen	2,210,400	2,210,400	2,210,400	–	–	–
Koh Lee Hwee	30,890,888	30,890,888	30,890,888	1,204,402,032	1,204,402,032	1,204,402,032
Ko Lee Meng	33,639,865	33,639,865	33,639,865	1,161,736,475	1,161,736,475	1,161,736,475
Tan Keh Yan, Peter	552,600	552,600	552,600	–	–	–
Goh Bee Leong	58,575	58,575	58,575	–	–	–
Ultimate holding company						
MLHS Holdings Pte. Ltd.						
(Ordinary shares)						
Koh Wee Seng	1,410,000	1,410,000	1,410,000	–	–	–
Koh Lee Hwee	727,500	727,500	727,500	–	–	–
Ko Lee Meng	772,500	772,500	772,500	–	–	–
Related companies						
World Class Land Pte. Ltd.						
(Ordinary shares)						
Koh Wee Seng	250,000	250,000	250,000	4,500,000	4,500,000	4,500,000
Koh Lee Hwee	–	–	–	4,500,000	4,500,000	4,500,000
Ko Lee Meng	–	–	–	4,500,000	4,500,000	4,500,000
WCL (QLD) Margaret St Pty. Ltd.						
(Ordinary shares)						
Koh Wee Seng	5,100,000	5,100,000	5,100,000	16,575,000	16,575,000	16,575,000
Koh Lee Hwee	–	–	–	19,125,000	19,125,000	19,125,000
Ko Lee Meng	1,275,000	1,275,000	1,275,000	16,575,000	16,575,000	16,575,000
AF Global Limited						
(Ordinary shares)						
Koh Wee Seng	8,629,075	8,629,075	8,629,075	441,857,365	441,857,365	441,857,365
Koh Lee Hwee	182,000	182,000	182,000	440,948,535	440,948,535	440,948,535
Ko Lee Meng	4,761,280	4,761,280	4,761,280	441,593,335	441,593,335	441,593,335

* including interest in nominee account

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (continued)

By virtue of Section 7 of the Companies Act 1967, Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are deemed to have an interest in the shares of the Company and its subsidiaries to the extent held by Aspial Corporation Limited and MLHS Holdings Pte Ltd.

At the beginning of the financial year, Koh Lee Hwee and Ko Lee Meng held term notes issued by the Company aggregating to \$250,000 and \$1,750,000, respectively. The term notes bear a fixed interest rate of 6.35% per annum and are due in 2022. As at the end of the financial year, Koh Lee Hwee, Ko Lee Meng, Ng Kean Seen and Goh Bee Leong held term notes aggregating to \$250,000, \$1,000,000, \$250,000 and \$250,000 respectively. Except for Koh Lee Hwee, who holds no term notes as at 21 January 2023, a decrease of \$250,000 from 31 December 2022, there is no change in term notes held by other directors as at 21 January 2023. The term notes bear a fixed interest rate of 6.05% per annum and are due in 2025.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related companies, either at the beginning of the financial year, or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2022, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit Committee

The Audit Committee performed the functions in accordance with Section 201B (5) of the Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Koh Wee Seng
Director

Ng Kean Seen
Director

Singapore
24 March 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aspial Lifestyle Limited (the "**Company**") (formerly known as Maxi-Cash Financial Services Corporation Ltd.) and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans

Trade receivables, in particular pawnshop loans and interest receivables on pawnshop loans, are significant to the Group. The collectability of trade receivables is a key element of the Group's working capital management.

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECL model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets and estimated future non-redemption rate on open pledges taking into account the current economic environment. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

INDEPENDENT AUDITOR'S REPORT

To the members of Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.)

Key audit matters (continued)

Significant judgement and estimation are involved in using the historical non-redemption data to derive the probability of default, estimating the expected realisable value of customers' pledges as well as considering any forward-looking information. Accordingly, we have identified the Group's ECL assessment on pawnshop loans and interest receivables on pawnshop loans from the Group's pawnbroking segment as a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's historical loss experience and loan-to-valuation data. We reviewed and tested the overall process and key controls relating to the collection of non-redemption data used in the ECL model including checking the arithmetic accuracy of the probability of default. We also analysed historical trend of expected realisable value of the customers' pledges and considered forward-looking macroeconomic factors, taking into consideration the economic environment and external information, that may affect the recoverability of the pawnshop loans and related interest receivables. Furthermore, we assessed the adequacy of the disclosures related to trade receivables in Note 19 to the financial statements.

Existence of pledges, cash and inventories

We focused on pledges, cash and inventories as their total carrying amounts are material to the financial statements, and there is a higher inherent risk of theft and pilferage.

As part of our audit, we obtained an understanding of the internal controls with respect to the physical safeguards over pledges, cash and inventories. We tested selected internal controls over cash receipts and disbursements, bank reconciliation reviews and movement of inventories. We obtained bank confirmation and an understanding of management's monitoring of cash balances, including monitoring of outlet cash float, physical transfer of cash between outlets and head office, and reconciliation of outlet cash flows to pledge movements.

On a sample basis, we attended and observed surprise and planned outlet audits on daily cash counts, inventory counts and performed verification of pledges by taking a sample of pledges held on open pawn tickets and matched details of pledges to the physical pledges. We also attended the year-end inventory count and cash count conducted at head office.

We assessed the adequacy of the disclosures relating to cash and bank balances, trade receivables (which comprise mainly pawnshop loans related to pledges held as collateral) and inventories in Notes 21, 19 and 18 respectively, to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT

To the members of Aspiat Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.)

Responsibilities of management and directors for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

To the members of Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.)

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Peck Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
24 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	319,008	225,703
Material costs		(208,785)	(143,881)
Employee benefits expenses	5	(31,706)	(25,435)
Depreciation and amortisation		(18,265)	(14,509)
Finance costs	6	(17,402)	(10,162)
Other operating expenses		(28,688)	(19,986)
Interest income		644	28
Dividend income from equity securities		198	298
Rental income	25	1,659	1,329
Other income	7	5,080	4,141
Share of results of joint venture	15	61	57
Profit before tax	8	21,804	17,583
Income tax expense	9(a)	(5,727)	(3,042)
Profit for the year		<u>16,077</u>	<u>14,541</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Net fair value changes on equity securities at fair value through other comprehensive income ("FVOCI")		(1,113)	28
<i>Items that may be reclassified subsequently to profit or loss (net of tax):</i>			
Net fair value changes on debt securities at fair value through other comprehensive income		-	4
Net loss on cash flow hedge		(70)	-
Foreign currency translation		420	103
Other comprehensive income for the year, net of tax		<u>(763)</u>	<u>135</u>
Total comprehensive income for the year		<u>15,314</u>	<u>14,676</u>
Profit for the year attributable to:			
Owners of the Company		15,984	14,446
Non-controlling interests		93	95
		<u>16,077</u>	<u>14,541</u>
Total comprehensive income attributable to:			
Owners of the Company		15,221	14,581
Non-controlling interests		93	95
		<u>15,314</u>	<u>14,676</u>
Earnings per share (cents)			
Basic and diluted	10	<u>1.39</u>	<u>1.39</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	11	129,217	81,078	22	33
Investment properties	12	11,650	16,850	-	-
Right-of-use assets	25(a)	82,098	33,314	-	-
Intangible assets	13	6,652	-	-	-
Other receivables	19	3,953	2,086	-	-
Investment in subsidiaries	14	-	-	162,996	54,242
Investment in joint venture	15	-	1,466	-	2,000
Investment securities	17	1,841	2,957	-	-
Prepaid rent		-	1	-	-
Deferred tax assets	9(c)	1,378	2,853	79	-
		<u>236,789</u>	<u>140,605</u>	<u>163,097</u>	<u>56,275</u>
Current assets					
Inventories	18	171,298	90,927	-	-
Trade and other receivables	19	384,251	329,488	71	11
Prepayments		2,474	970	31	157
Due from subsidiaries (non-trade)	20	-	-	112,867	135,604
Due from related companies (non-trade)	20	93	-	22	-
Due from immediate holding company (non-trade)	20	10	-	-	-
Derivative financial instruments	16	754	219	-	-
Cash and bank balances	21	30,813	19,735	2,577	4,712
		<u>589,693</u>	<u>441,339</u>	<u>115,568</u>	<u>140,484</u>
Total assets		<u>826,482</u>	<u>581,944</u>	<u>278,665</u>	<u>196,759</u>
Current liabilities					
Trade and other payables	22	48,845	12,192	2,444	2,448
Due to immediate holding company (non-trade)	20	13,502	6	13,500	6
Due to related companies (non-trade)	20	3,285	3	-	3
Derivative financial instruments	16	902	-	-	-
Provision for taxation		5,957	2,944	72	376
Interest-bearing loans	23	348,050	252,296	-	-
Lease liabilities	25(b)	21,101	10,304	-	-
Medium-Term Notes	24	-	45,250	-	45,250
		<u>441,642</u>	<u>322,995</u>	<u>16,016</u>	<u>48,083</u>
Net current assets		<u>148,051</u>	<u>118,344</u>	<u>99,552</u>	<u>92,401</u>
Non-current liabilities					
Other payables	22	80	111	-	-
Interest-bearing loans	23	100,199	84,001	-	-
Medium-Term Notes	24	59,527	-	59,527	-
Deferred tax liabilities	9(c)	1,347	175	-	4
Lease liabilities	25(b)	63,323	24,106	-	-
		<u>224,476</u>	<u>108,393</u>	<u>59,527</u>	<u>4</u>
Total liabilities		<u>666,118</u>	<u>431,388</u>	<u>75,543</u>	<u>48,087</u>
Net assets		<u>160,364</u>	<u>150,556</u>	<u>203,122</u>	<u>148,672</u>
Equity attributable to owners of the Company					
Share capital	26(a)	192,206	142,341	192,206	142,341
Treasury shares	26(b)	(19)	(59)	(19)	(59)
Other reserves	26(c)	(48,713)	(5,928)	5,861	(23)
Revenue reserve		15,719	13,072	5,074	6,413
		<u>159,193</u>	<u>149,426</u>	<u>203,122</u>	<u>148,672</u>
Non-controlling interests		1,171	1,130	-	-
Total equity		<u>160,364</u>	<u>150,556</u>	<u>203,122</u>	<u>148,672</u>
Total equity and liabilities		<u>826,482</u>	<u>581,944</u>	<u>278,665</u>	<u>196,759</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Note	Attributable to owners of the Company				Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Revenue reserve	\$'000	\$'000	\$'000
Group							
At 1 January 2021	137,286	(9)	(6,066)	20,363	151,574	1,035	152,609
Profit for the year	-	-	-	14,446	14,446	95	14,541
Other comprehensive income							
Foreign currency translation	-	-	103	-	103	-	103
Net fair value changes in debt securities at FVOCI	-	-	4	-	4	-	4
Net fair value changes in equity securities at FVOCI	-	-	28	-	28	-	28
Other comprehensive income for the year, net of tax	-	-	135	-	135	-	135
Total comprehensive income for the year	-	-	135	14,446	14,581	95	14,676
Contributions by and distributions to owners							
Dividends on ordinary shares	30	-	-	(21,737)	(21,737)	-	(21,737)
Issuance of ordinary shares	26(a)	5,184	-	-	5,184	-	5,184
Share issuance expense	26(a)	(129)	-	-	(129)	-	(129)
Purchase of treasury shares	26(b)	-	(209)	-	(209)	-	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	26(b)	-	159	3	162	-	162
Total contributions by and distributions to owners		5,055	(50)	3	(21,737)	-	(16,729)
At 31 December 2021		142,341	(59)	(5,928)	13,072	149,426	1,130
At 1 January 2022		142,341	(59)	(5,928)	13,072	149,426	1,130
Profit for the year		-	-	-	15,984	15,984	93
Other comprehensive income							
Foreign currency translation		-	-	420	-	420	-
Net fair value changes in equity securities at FVOCI		-	-	(1,113)	-	(1,113)	-
Net loss on cash flow hedge		-	-	(70)	-	(70)	-
Other comprehensive income for the year, net of tax		-	-	(763)	-	(763)	-
Total comprehensive income for the year		-	-	(763)	15,984	15,221	93
Contributions by and distributions to owners							
Dividends on ordinary shares	30	-	-	(13,337)	(13,337)	-	(13,337)
Issuance of ordinary shares	26(a)	49,865	-	-	49,865	-	49,865
Purchase of treasury shares	26(b)	-	(145)	-	(145)	-	(145)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	26(b)	-	185	(5)	-	180	180
Acquisition of subsidiaries on 30 September 2022		-	-	(42,006)	-	(42,006)	-
Change in ownership interests in subsidiaries without a change in control		-	-	(11)	-	(11)	(52)
Total contributions by and distributions to owners		49,865	40	(42,022)	(13,337)	(5,454)	(5,506)
At 31 December 2022		192,206	(19)	(48,713)	15,719	159,193	1,171

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Note	Share capital	Treasury shares	Other reserves	Revenue reserve	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Company						
At 1 January 2021		137,286	(9)	(26)	13,803	151,054
Profit for the year		–	–	–	14,347	14,347
Total comprehensive income for the year		–	–	–	14,347	14,347
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	30	–	–	–	(21,737)	(21,737)
Issuance of ordinary shares	26(a)	5,184	–	–	–	5,184
Share issuance expense	26(a)	(129)	–	–	–	(129)
Purchase of treasury shares	26(b)	–	(209)	–	–	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	26(b)	–	159	3	–	162
Total contributions by and distributions to owners		5,055	(50)	3	(21,737)	(16,729)
At 31 December 2021		<u>142,341</u>	<u>(59)</u>	<u>(23)</u>	<u>6,413</u>	<u>148,672</u>
At 1 January 2022		142,341	(59)	(23)	6,413	148,672
Profit for the year		–	–	–	11,998	11,998
Total comprehensive income for the year		–	–	–	11,998	11,998
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	30	–	–	–	(13,337)	(13,337)
Issuance of ordinary shares	26(a)	49,865	–	–	–	49,865
Purchase of treasury shares	26(b)	–	(145)	–	–	(145)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	26(b)	–	185	(5)	–	180
Acquisition of subsidiaries on 30 September 2022	14	–	–	5,889	–	5,889
Total contributions by and distributions to owners		49,865	40	5,884	(13,337)	42,452
At 31 December 2022		<u>192,206</u>	<u>(19)</u>	<u>5,861</u>	<u>5,074</u>	<u>203,122</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Operating activities			
Profit before tax		21,804	17,583
Adjustments for:			
Depreciation of property, plant and equipment	8	4,295	3,478
Fair value gain on investment properties	7	(800)	(40)
Depreciation of right-of-use assets	8	13,912	11,028
Write-back of inventories	8	(269)	(14)
Interest expense	6	17,402	10,162
Interest income		(2,766)	(2,110)
Dividend income from equity securities		(198)	(298)
Allowance for expected credit losses on interest receivables	8	4,033	3,852
Financial losses on pledged items not fully covered by insurance	8	10	108
Loss on disposal/write-off of property, plant and equipment	8	278	134
Gain on disposal of investment securities	7	–	(7)
Net fair value change on derivatives	7,8	296	(243)
Amortisation of prepaid rent	8	3	3
Amortisation of intangible assets	8	55	–
Unrealised foreign exchange differences		95	348
Share of results of joint venture	15	(61)	(57)
Impairment loss on right-of-use assets	8	189	–
Impairment loss on property, plant and equipment	8	526	–
Gain on termination/modification of leases	7	(243)	–
Gain on disposal of investment property	7	(876)	–
Operating cash flows before changes in working capital		57,685	43,927
<i>Changes in working capital</i>			
Increase in inventories		(18,498)	(16,257)
Increase in trade and other receivables		(58,722)	(36,684)
(Increase)/decrease in prepayments		(976)	550
Increase/(decrease) in trade and other payables		20,863	(608)
Total changes in working capital		(57,333)	(52,999)
Cash flows used in operations		352	(9,072)
Interest paid		(15,564)	(8,908)
Interest received		644	8
Income taxes paid		(2,652)	(4,132)
Net cash flows used in operating activities		(17,220)	(22,104)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Investing activities			
Purchase of property, plant and equipment	11	(2,431)	(25,255)
Interest received		3,678	462
Dividends received from equity securities		198	298
Purchase of investment securities		(225)	(500)
Net cash outflow on acquisition of subsidiaries	14	(27,854)	–
Proceeds from disposal of investment property		6,876	–
Proceeds from disposal of property, plant and equipment		–	15
Purchase of intangible assets	13	(3,309)	–
Decrease in amount due from a related company (non-trade)		828	–
Decrease in amount due from a joint venture (non-trade)		–	263
Proceeds from disposal of investment securities	17	–	750
Net cash flows used in investing activities		<u>(22,239)</u>	<u>(23,967)</u>
Financing activities			
Proceeds from issuance of ordinary shares	26(a)	–	5,184
Share issuance expense	26(a)	–	(129)
Repayment of Medium-Term Notes	24	(22,000)	–
Proceeds from issuance of Medium-Term Notes	24	36,750	–
Medium-Term Notes issuance fee paid	24	(836)	–
Proceeds of short-term bank borrowings	24	133,524	90,405
Repayment from short-term bank borrowings	24	(79,442)	(42,885)
Proceeds from term loans	24	6,144	29,039
Repayment of term loans	24	(18,351)	(5,770)
Purchase of treasury shares	26(b)	(145)	(209)
Increase in amount due to immediate holding company (non-trade), net		21,756	6
Repayment of advances to related companies (non-trade), net		1,655	(81)
Dividends paid on ordinary shares	30	(13,337)	(21,737)
Interest paid on lease liabilities	25(c)	(1,475)	(1,002)
Payment of principal portion of lease liabilities	25(b)	(13,761)	(10,803)
Acquisition of non-controlling interests in subsidiaries		(52)	–
Net cash flows from financing activities		<u>50,430</u>	<u>42,018</u>
Net increase/(decrease) in cash and cash equivalents		10,971	(4,053)
Effect of exchange rate changes on cash and cash equivalents		107	(28)
Cash and cash equivalents at the beginning of the financial year		19,735	23,816
Cash and cash equivalents at the end of the financial year	21	<u><u>30,813</u></u>	<u><u>19,735</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1. Corporate information

Aspial Lifestyle Limited (the "**Company**") (formerly known as Maxi-Cash Financial Services Corporation Ltd.) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company's immediate and ultimate holding companies are Aspial Corporation Limited and MLHS Holdings Pte Ltd respectively, both incorporated in Singapore.

The Company's registered office is located at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624 and its principal place of business is located at 55 Ubi Avenue 3, #04-08, Singapore 408864.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

Related companies refer to entities belonging to the Aspial Corporation Limited group of companies.

With effect from 3 October 2022, the name of the Company was changed from Maxi-Cash Financial Services Corporation Ltd. to Aspial Lifestyle Limited.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("**SGD**" or "**\$**") and all values in the tables are rounded to the nearest thousand ("**\$'000**"), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale of Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 Business combination involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity under other reserves.
- The statement of comprehensive income reflects the results of the combining entities prospectively from the date on which the business combination occurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The financial statements are presented in Singapore Dollars ("**SGD**"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the financial year are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold properties	–	50 years
Leasehold properties	–	36 to 69 years
Renovations, electrical fittings, furniture and fittings	–	3 – 5 years
Air-conditioners, office and security equipment	–	3 – 5 years
Showroom tools and machinery	–	5 years
Computers	–	3 years
Motor vehicles	–	3 – 7 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.8 *Property, plant and equipment (continued)*

Work-in-progress is not depreciated until it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 *Investment properties*

Investment properties are properties that are either owned by the Group that are held to earn rental or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.10 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.10 *Intangible assets (continued)*

Computer software

Computer software is initially capitalised at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Costs associated with maintaining the computer software are recognised as an expense when they incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the useful life of 3 years.

Licence

Licence acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of licence is assessed as indefinite.

The licence is estimated to have indefinite useful lives as it is renewable indefinitely. Hence, management believes that there is no foreseeable limit to the period over which the licence is expected to generate net cash inflows for the Group.

2.11 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.13 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.14.

2.14 *Joint ventures*

The Group accounts for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.15 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.15 *Financial instruments (continued)*

(a) *Financial assets (continued)*

Subsequent measurement (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss. For derecognition of equity instruments, cumulative fair value changes previously recognised in FVOCI will be transferred to retained earnings.

Regular way purchases and sales

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.16 *Impairment of financial assets*

The Group estimates the ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group's estimation varies with respect to its various types of financial assets as follows:

Pawnshop loans and interest receivables on pawnshop loans

The Group uses the general approach and estimates on lifetime ECLs on the financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the pawn tickets and all the cash flows that the Group expects to receive from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the pawn tickets.

The Group considers the financial assets in default upon forfeiture of the collateral to the Group. When such default occurs, the Group has no reasonable expectations of recovering the interest receivable portion of the financial assets. Therefore, the Group writes off the interest receivable portion of the financial assets.

Secured lending receivables

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

Due from subsidiaries (non-trade), due from immediate holding company (non-trade), due from related companies (non-trade)

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

2.17 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks including fixed deposits and cash on hand.

2.18 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Raw materials	–	purchase costs on a weighted average basis; and
Finished goods	–	cost of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When government grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant relating to income is presented as part of profit or loss under "Other income".

2.21 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.16 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.22 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.23 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the financial year is recognised for services rendered by employees up to the end of the financial year.

(c) Employee share award plan

The immediate holding company's shares can be awarded to certain employees and directors of the Group. Share award expense is recognised as an expense in the same period in which the related service is performed. The fair value of the share award expense is determined based on the market value of the shares at the distribution dates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.24 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Retail stores	–	2 to 7 years
Land	–	37 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of retail stores (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.24 Leases (continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

Revenue from sale of jewellery and branded merchandise is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rental income from operating leases*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2.26 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial year, in Singapore where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.26 Taxes (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each financial year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each financial year.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Summary of significant accounting policies (continued)

2.27 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.29 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the consolidated statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each financial year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of individual pawnshop outlets. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default well as considering any forward-looking information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which include the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 19 to the financial statements.

(b) Allowance for inventories

The Group periodically assesses the allowance for inventories. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventories. The carrying amount of the Group's inventories at the end of the financial year is disclosed in Note 18 to the financial statements.

4. Revenue

	Group	
	2022	2021
	\$'000	\$'000
Sale of jewellery and branded merchandise, recognised at a point in time	265,360	177,578
Interest income from pawnbroking services	51,526	46,043
Interest income from secured lending	2,122	2,082
	<u>319,008</u>	<u>225,703</u>

Revenue recognition policy is as per disclosed in Note 2.25.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. Employee benefits expenses

	Group	
	2022	2021
	\$'000	\$'000
Employee benefits expenses:		
- Salaries and bonuses	28,402	22,848
- Contribution to defined contribution plans	3,304	2,587
	<u>31,706</u>	<u>25,435</u>

6. Finance costs

		Group	
	Note	2022	2021
		\$'000	\$'000
Interest expense on:			
- Short-term bank borrowings		9,024	4,187
- Term loans		2,491	1,847
- Medium-Term Notes		4,049	2,874
- Lease liabilities	25(c)	1,475	1,002
		<u>17,039</u>	<u>9,910</u>
Amortisation of prepaid commitment fee		363	252
		<u>17,402</u>	<u>10,162</u>

7. Other income

		Group	
	Note	2022	2021
		\$'000	\$'000
Net foreign exchange gain		931	2
Jobs Support Scheme grant income		-	596
COVID-19-related rent concessions	25(c)	68	2,165
Gain on forfeited customer advances		314	415
Gain on termination/modification of leases	25(c)	243	-
Gain on disposal of investment property		876	-
Management services to related companies	27	314	195
Net fair value gain on derivative financial instruments		-	243
Net gain on disposal of investment securities		-	7
Net fair value gain on investment properties	12	800	40
Other government grants and miscellaneous income		1,534	478
		<u>5,080</u>	<u>4,141</u>

Jobs Support Scheme

The Jobs Support Scheme ("JSS") was introduced by the Government to provide wage support to employers to retain local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first \$4,600 of gross monthly wages paid to each local employee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Other income (continued)

COVID-19-related rent concessions

The Group received rent concessions as part of the COVID-19 support under the Rental Relief Framework, which provides for mandated equitable co-sharing of rental obligations between the Government, landlords and tenants.

The Rental Relief Framework requires qualifying property owners which have received support via a government cash grant to in turn provide the necessary rental relief to their eligible Small and Medium Enterprises ("SMEs") and specified Non-Profit Organisations tenant-occupiers of the prescribed properties.

During the financial years ended 31 December 2022 and 2021, the Group recognised COVID-19-related rent concessions to which the Group applied the practical expedient applicable under Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions*.

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group	
		2022	2021
		\$'000	\$'000
Audit fees:			
- Auditor of the Company		318	291
- Other auditors		141	66
Non-audit fees:			
- Auditor of the Company		70	60
- Other auditors		39	44
Amortisation of prepaid rent		3	3
Amortisation of intangible asset	13	55	-
Depreciation of property, plant and equipment	11	4,295	3,478
Depreciation of right-of-use assets	25(a)	13,912	11,028
Lease expense not capitalised in lease liabilities:		2,029	2,533
- Expense relating to short-term leases	25(c)	1,618	2,370
- Variable lease payments	25(c)	411	163
Loss on disposal/write-off of property, plant and equipment		278	134
Net fair value loss on derivative financial instruments		296	-
Allowance for expected credit losses on interest receivables	19	4,033	3,852
Write-back of inventories	18	(269)	(14)
Financial losses on pledged items not fully covered by insurance		10	108
Branding and marketing related costs		2,935	1,586
Impairment loss on right-of-use assets	25(a)	189	-
Impairment loss on property, plant and equipment	11	526	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	Group	
	2022	2021
	\$'000	\$'000
<i>Consolidated statement of comprehensive income:</i>		
<i>Current income tax</i>		
Current income taxation	3,814	2,475
Under/(over) provision in respect of previous years	96	(84)
	3,910	2,391
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1,141	692
Under/(over) provision in respect of previous years	648	(67)
	1,789	625
<i>Withholding tax</i>		
Income tax expense recognised in profit or loss	5,727	3,042
<i>Deferred tax expense related to other comprehensive income</i>		
Net (loss)/gain on fair value changes on equity securities	(228)	5
Net gain on fair value changes on debt securities	–	1
	(228)	6

(b) Relationship between tax expense and profit before tax

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022	2021
	\$'000	\$'000
Profit before tax	21,804	17,583
Tax calculated at a tax rate of 17% (2021: 17%)	3,707	2,989
Adjustments:		
Expenses not deductible for tax purposes	1,761	716
Income not subject to tax	(288)	(249)
Effect of partial tax exemption and tax relief	(279)	(280)
Under/(over) provision in respect of previous years	744	(151)
Withholding tax paid	28	26
Effect of foreign tax credit	(14)	(16)
Others	68	7
Income tax expense recognised in profit or loss	5,727	3,042

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. Income tax expense (continued)

(c) *Deferred income tax*

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	(2,678)	(3,706)	4	7
Acquisition of subsidiaries	760	–	–	–
Charged/(credited) to profit or loss	2,115	1,022	(83)	(3)
(Credited)/charged to other comprehensive income	(228)	6	–	–
Balance at 31 December	<u>(31)</u>	<u>(2,678)</u>	<u>(79)</u>	<u>4</u>

Deferred income tax prior to offsetting of balances within the same tax jurisdiction as at 31 December relates to the following:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Deferred tax (assets)/liabilities</i>				
Difference in depreciation	1,348	338	3	5
Leases	(177)	(109)	–	–
Provisions	(159)	(112)	(2)	(1)
Unutilised tax losses and allowances	(730)	(2,699)	(80)	–
Fair value change of equity securities at FVOCI	(320)	(92)	–	–
Others	7	(4)	–	–
	<u>(31)</u>	<u>(2,678)</u>	<u>(79)</u>	<u>4</u>

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets and current income tax liabilities and when deferred tax relate to the same fiscal authority. The amounts of deferred tax assets and liabilities determined after appropriate offsetting are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	1,347	175	–	4
Deferred tax assets	(1,378)	(2,853)	(79)	–
	<u>(31)</u>	<u>(2,678)</u>	<u>(79)</u>	<u>4</u>

The subsidiaries of the Group transferred tax losses of approximately \$816,000 (2021: \$2,386,000) to other subsidiaries within the Group under the group relief system, subject to compliance with the relevant rules and agreement of Inland Revenue Authority of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. Income tax expense (continued)

(c) *Deferred income tax (continued)*

As at 31 December 2020, Maxi-Cash Retail Pte. Ltd. ("MCR") which was formed pursuant to amalgamation with another subsidiary, has obtained approval from the tax authority to carry forward its unutilised tax losses and unabsorbed capital allowances. The Group has assessed that MCR is expected to generate future taxable profits. Consequently, the Group has recognised the related deferred tax asset amounting to \$679,000 (2021: \$1,725,000).

As at 31 December 2022, unutilised tax losses, unabsorbed capital allowances and unutilised donations of the Group available for offset against future taxable profits amount to \$3,997,000, \$Nil and \$20,000 (2021: \$12,946,000, \$544,000 and \$33,000), respectively.

Tax consequences of proposed dividends

There are no income tax consequences (2021: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

10. Earnings per share

Basic earnings per share computation is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares).

Diluted earnings per share is similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December 2022 and 2021:

	Group	
	2022	2021
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'000)	<u>15,984</u>	<u>14,446</u>
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	<u>1,146,493,692</u>	<u>1,036,666,820</u>
Earnings per share (cents)		
– basic and diluted	<u>1.39</u>	<u>1.39</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11. Property, plant and equipment

Group	Freehold properties	Leasehold properties	Renovations,	Air-	Showroom tools and machinery	Computers	Motor vehicles	Work-in-progress	Total
			furniture and fittings	conditioners, office and security equipment					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost									
At 1 January 2021	15,183	45,319	8,892	3,468	805	1,750	233	654	76,304
Additions	-	22,514	1,647	453	50	79	57	455	25,255
Disposals	-	-	(92)	(14)	(1)	(1)	(85)	-	(193)
Transfer in/(out)	-	-	149	5	-	442	-	(596)	-
Transfer to investment properties (Note 12)	-	(6,690)	-	-	-	-	-	-	(6,690)
Written-off	-	-	-	-	-	-	-	(140)	(140)
Translation difference	-	-	(29)	(8)	(1)	(3)	-	-	(41)
At 31 December 2021 and 1 January 2022	15,183	61,143	10,567	3,904	853	2,267	205	373	94,495
Additions	-	-	1,375	231	47	124	-	654	2,431
Acquisition of subsidiary	-	42,032	4,386	1,112	155	156	33	3,002	50,876
Disposals	-	-	(915)	(213)	(46)	(52)	-	(40)	(1,266)
Transfer in/(out)	-	-	1,720	64	99	182	-	(2,065)	-
Translation difference	-	-	(120)	(32)	(3)	(11)	-	-	(166)
At 31 December 2022	15,183	103,175	17,013	5,066	1,105	2,666	238	1,924	146,370
Accumulated depreciation									
At 1 January 2021	12	937	5,179	2,616	594	1,337	155	-	10,830
Depreciation charge for the year	9	923	1,682	392	71	370	31	-	3,478
Disposals	-	-	(87)	(13)	(1)	(1)	(82)	-	(184)
Transfer to investment properties (Note 12)	-	(690)	-	-	-	-	-	-	(690)
Translation difference	-	-	(12)	(4)	-	(1)	-	-	(17)
At 31 December 2021 and 1 January 2022	21	1,170	6,762	2,991	664	1,705	104	-	13,417
Depreciation charge for the year	9	1,304	2,063	398	99	384	38	-	4,295
Disposals	-	-	(714)	(186)	(38)	(50)	-	-	(988)
Impairment loss	-	-	386	128	4	8	-	-	526
Translation difference	-	-	(68)	(21)	(1)	(7)	-	-	(97)
At 31 December 2022	30	2,474	8,429	3,310	728	2,040	142	-	17,153
Net carrying amount									
At 31 December 2021	15,162	59,973	3,805	913	189	562	101	373	81,078
At 31 December 2022	15,153	100,701	8,584	1,756	377	626	96	1,924	129,217

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11. Property, plant and equipment (continued)

Company	Renovations, electrical fittings, furniture and fittings	Air- conditioners, office and security equipment	Showroom tools and machinery	Computers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At 1 January 2021	–	15	5	246	266
Additions	6	–	–	–	6
At 31 December 2021 and 1 January 2022	6	15	5	246	272
Additions	–	–	–	1	1
At 31 December 2022	6	15	5	247	273
Accumulated depreciation					
At 1 January 2021	–	12	5	204	221
Depreciation charge for the year	1	1	–	16	18
At 31 December 2021 and 1 January 2022	1	13	5	220	239
Depreciation charge for the year	1	1	–	10	12
At 31 December 2022	2	14	5	230	251
Net carrying amount					
At 31 December 2021	5	2	–	26	33
At 31 December 2022	4	1	–	17	22

Impairment of property, plant and equipment

During the financial year ended 31 December 2022, the Group undertook an assessment of the recoverable amounts of the property, plant and equipment with indicators of impairment. As a result of the assessment, the Group recorded impairment loss of \$526,000 (2021: \$Nil) arising from the closure of certain outlets under the pawnbroking segment, recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

A floating charge has been placed on property, plant and equipment of certain subsidiaries with a carrying amount aggregating \$3,408,000 (2021: \$2,823,000) as security for bank borrowings (Note 23).

As at 31 December 2022, freehold properties and leasehold properties with carrying amounts of \$15,153,000 (2021: \$15,162,000) and \$100,701,000 (2021: \$59,973,000) respectively are pledged to banks as security for bank borrowings (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. Investment properties

Investment properties held by the Group are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
40 Changi Road, Singapore	Retail	Freehold	–
709 Ang Mo Kio Avenue 8 #01-2593, Singapore	Retail	Leasehold	62 years
		Group	
	Note	2022	2021
		\$'000	\$'000
At 1 January		16,850	10,810
Transfer from property, plant and equipment	11	–	6,000
Net fair value gain recognised in profit or loss	7	800	40
Disposal		(6,000)	–
At 31 December		11,650	16,850
<u>Consolidated statement of comprehensive income:</u>			
Rental income from investment properties/property, plant and equipment		324	331
Direct operating expenses arising from rental generating properties		(53)	(57)

During the financial year ended 31 December 2021, the Group transferred \$6,000,000 of freehold and leasehold properties from Property, plant and equipment to Investment properties due to a change in management's intention to use the properties for lease to third parties under operating leases, details of which are disclosed in Note 25 to the financial statements.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

As at 31 December 2022, investment properties with a carrying value of \$11,650,000 (2021: \$16,850,000) are pledged to banks as security for bank borrowings (Note 23).

Valuation of investment properties

The valuations were performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. Intangible assets

Group	Goodwill	Computer software	Licence	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
At 1 January 2021, 31 December 2021 and 1 January 2022	–	–	–	–
Additions	–	2,809	500	3,309
Acquisition of a subsidiary	3,221	177	–	3,398
At 31 December 2022	3,221	2,986	500	6,707
Accumulated amortisation				
At 1 January 2021, 31 December 2021 and 1 January 2022	–	–	–	–
Amortisation	–	55	–	55
At 31 December 2022	–	55	–	55
Net carrying amount				
At 31 December 2022	3,221	2,931	500	6,652
At 31 December 2021	–	–	–	–

Impairment testing of goodwill

Goodwill is tested for impairment by comparing the carrying amount of goodwill with its recoverable amount. For the purpose of management's impairment assessment, goodwill is allocated to Goldheart Jewelry Pte. Ltd. ("GHJ") as a cash-generating unit ("CGU").

The recoverable amount of the Group's goodwill has been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

The calculation of value-in-use for GHJ is most sensitive to the following assumptions:

Budgeted gross margins and direct overhead expenses – Direct overhead expenses mainly comprise employee benefits and rental related expenses. Gross margins and direct overhead expenses are forecasted as a percentage of budgeted sales and is estimated based on historical trend and management's assessment of outlook of the CGU and industry.

Pre-tax discount rate – Discount rate represent the current market assessment of the risks specific to GHJ, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and derived from its weighted average cost of capital. The pre-tax discount rate applied in the cash flow projections is 13.0%, which reflects management's estimation of the risks specific to the segment.

Growth rates – The forecasted growth rates are based on management's judgement applied in the financial budgets which include average growth rates. The growth rate applied ranges from 1.1% to 1.2% for the budget covering 5 years with a terminal growth rate of 1.7%

Sensitivity analysis

With respect to the assessment of value-in-use for goodwill of GHJ, management believed that no reasonable possible changes in any of the key assumptions would cause the carrying value of GHJ to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Investment in subsidiaries

	Company	
	2022	2021
	\$'000	\$'000
Unquoted equity shares, at cost	162,996	54,242

The Company had the following subsidiaries:

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
<i>Held by the Company</i>				
(a) Maxi-Cash Group Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a) Maxi-Cash Jewellery Group Pte. Ltd.	Singapore	Trading and retailing of jewellery and branded merchandise	100	100
(a), (d) Maxi-Cash Property Pte. Ltd.	Singapore	Real estate activities	100	100
(a) Maxi-Cash Investment Holding Pte. Ltd.	Singapore	Investment holding	100	100
(a) Maxi-Cash Capital Management Pte. Ltd.	Singapore	Secured lending and investment holding	100	100
(a) Maxi-Cash International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a) Maxi-Cash Retail Pte. Ltd.	Singapore	Jewellery retailing	100	100
(a), (d) Aspial Property Investment Pte. Ltd.	Singapore	Real estate activities	–	100
(a) Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.)	Singapore	Jewellery manufacturing	100	–
(e) Gold Purple Pte. Ltd.	Singapore	Inactive	100	–
(e) BU2 Services Pte. Ltd.	Singapore	Inactive	100	–
(a) AL Capital (Ubi) Pte. Ltd. (formerly known as Aspial Capital (Ubi) Pte. Ltd.)	Singapore	Real estate activities	50	–
<i>Held by Maxi-Cash Jewellery Group Pte. Ltd.</i>				
(g) AL Treasury Pte. Ltd.	Singapore	Inactive	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
<i>Held by Maxi-Cash Group Pte. Ltd.</i>				
(a) Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70
(a) Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a) MC Client Service Pte. Ltd. (formerly known as Maxi-Cash (North East 2) Pte. Ltd.)	Singapore	Inactive	100	100
<i>Held by Maxi-Cash Capital Management Pte. Ltd.</i>				
(a) Maxi-Cash Financial Pte. Ltd. (formerly known as Maxi Financial Pte. Ltd.)	Singapore	Investment holding and provision of management services	100	100
<i>Held by Maxi-Cash Financial Pte. Ltd.</i>				
(f) Maxi-Cash Leasing Pte. Ltd.	Singapore	Inactive	100	–
(h) Pit-Stop Credit (SG) Pte. Ltd.	Singapore	Secured Lending	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
<i>Held by Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.)</i>				
(a) Lee Hwa Jewellery Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Pte. Ltd.)	Singapore	Jewellery retailing	100	–
(a) Goldheart Jewellery Pte. Ltd.	Singapore	Jewellery retailing	100	–
(a) AL Capital (Ubi) Pte. Ltd. (formerly known as Aspial Capital (Ubi) Pte. Ltd.)	Singapore	Real estate activities	50	–
<i>Held by Maxi-Cash International Pte. Ltd.</i>				
(b) Maxi Cash (Malaysia) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(c) Maxi-Cash (Australia) Pty. Ltd.	Australia	Investment holding and provision of management services	100	100
(b) Maxi-Cash (Hong Kong) Co. Ltd.	Hong Kong	Investment holding and provision of management services	100	100
<i>Held by Maxi Cash (Malaysia) Sdn. Bhd.</i>				
(b) Maxi Cash (Penang) Sdn. Bhd.	Malaysia	Inactive	100	100
(b) Maxi Cash (Southern) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(b) LuxeSTYLE (Malaysia) Sdn. Bhd.	Malaysia	Trading and retailing of jewellery and branded merchandise	100	100
(b) Maxi-Cash Trading Sdn. Bhd.	Malaysia	Inactive	100	–
<i>Held by Maxi Cash (Penang) Sdn. Bhd.</i>				
(b) Max Cash (George Town) Sdn. Bhd.	Malaysia	Inactive	100	100
<i>Held by Maxi Cash (Southern) Sdn. Bhd.</i>				
(b) Maxi Cash (S1) Sdn. Bhd.	Malaysia	Pawn brokerage	100	99
(b) Maxi Cash (S2) Sdn. Bhd.	Malaysia	Pawn brokerage	100	99
(b) Maxi Cash (S3) Sdn. Bhd.	Malaysia	Pawn brokerage	100	99
(b) Maxi Cash (KL1) Sdn. Bhd.	Malaysia	Pawn brokerage	100	99
(b) Maxi Cash (KL2) Sdn. Bhd.	Malaysia	Pawn brokerage	100	99

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For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
Held by Maxi-Cash (Australia) Pty. Ltd.				
(c) Maxi-Cash Melbourne (VIC) Pty. Ltd.	Australia	Pawn brokerage	100	100
(c) LuxeSTYLE (Australia) Pty. Ltd.	Australia	Trading and retailing of jewellery and branded merchandise	100	100
Held by Maxi-Cash (Hong Kong) Co. Ltd.				
(b) Maxi-Cash (HKI) Co. Ltd.	Hong Kong	Pawn brokerage	100	100
(b) Maxi-Cash Retail (HKI) Co. Ltd.	Hong Kong	Trading and retailing of jewellery and branded merchandise	100	100
(a)	Audited by Ernst & Young LLP, Singapore			
(b)	Audited by a member firm of EY Global			
(c)	Audited by The Field Group, Melbourne			
(d)	On 1 January 2022, the Aspial Property Investment Pte. Ltd. and Maxi-Cash Property Pte. Ltd. amalgamated, pursuant to Section 215A and Section 215D of the Companies Act 1967, with Maxi-Cash Property Pte. Ltd. remaining as the surviving entity.			
(e)	Exempted from statutory audit as the Company is dormant			
(f)	The subsidiary was incorporated on 9 December 2022, and the first set of audited financial statements will be for the period ended 31 December 2023			
(g)	The subsidiary was incorporated on 7 September 2022, and the first set of audited financial statements will be for the period ended 31 December 2023			
(h)	Audited by Acumen Associates LLP, Singapore			
(i)	Audited by Kreston David Yeung PAC, Singapore			

Interest in subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of the reporting period	Dividends paid to NCI
			\$'000	\$'000	\$'000
2022					
Maxi-Cash (Clementi) Pte. Ltd.	Singapore	30%	100	1,171	–
2021					
Maxi-Cash (Clementi) Pte. Ltd.	Singapore	30%	100	1,078	–

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For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Summarised financial information about subsidiary with material NCI

Summarised financial information and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

	Maxi-Cash (Clementi) Pte. Ltd.	
	2022	2021
	\$'000	\$'000
Current		
Assets	10,076	8,851
Liabilities	(6,219)	(5,309)
Net current assets	<u>3,857</u>	<u>3,542</u>
Non-current		
Assets	6	9
Liabilities	(1)	–
Net non-current assets	<u>5</u>	<u>9</u>
Net assets	<u><u>3,862</u></u>	<u><u>3,551</u></u>

Summarised statement of comprehensive income

	Maxi-Cash (Clementi) Pte. Ltd.	
	2022	2021
	\$'000	\$'000
Revenue	1,991	1,975
Profit before income tax	357	382
Income tax expense	(45)	(48)
Profit for the year, representing total comprehensive income	<u><u>312</u></u>	<u><u>334</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Other summarised information

	Maxi-Cash (Clementi) Pte. Ltd.	
	2022	2021
	\$'000	\$'000
Net cash flows (used in)/from operations	(750)	10

Acquisition of subsidiaries under common control

On 30 September 2022, the Company acquired 100% equity interests in Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.) and its subsidiaries ("**ALJG Group**"), BU2 Services Pte. Ltd. ("**BU2**") and Gold Purple Pte. Ltd. ("**GP**") (together, the "**Target Group**") for a total consideration of up to \$98,755,000 from its immediate holding company, Aspial Corporation Limited ("**ACL**") which comprise base consideration and earn-out consideration.

The base consideration is satisfied by cash consideration of \$37,000,000 and issuance of 311,656,441 ordinary shares amounting to \$49,865,000. The earn-out consideration of up to \$12,000,000 will be payable based on achievement of certain performance target by the Target Group and will be satisfied by way of cash consideration of up to \$6,000,000 and issuance of 36,809,815 new ordinary shares of the Company to ACL amounting to \$5,889,000. As at 31 December 2022, the performance target of the Target Group has been achieved.

The reason for the acquisition is to leverage on the jewellery retailing as part of the Group's strategic plans of increasing its product offerings in the market.

The above acquisition is considered to be a business combination under common control and the acquired assets and liabilities transferred have been included in the consolidated financial statements at their carrying amounts. The consolidated financial statements include the financial position and financial performance of Target Group from the date of acquisition.

From the acquisition date, the Target Group contributed revenue of \$38,346,000 and profit for the year of \$4,906,000 respectively to the Group for the financial year ended 31 December 2022. If the acquisition had taken place at the beginning of the year, the Group's revenue and profit for the year would have increased by approximately \$90,616,000 and \$8,899,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Investment in subsidiaries (continued)

Acquisition of subsidiaries under common control (continued)

The carrying value of the assets and liabilities of the Target Group as at the acquisition date were:

	Carrying value recognised on acquisition				
	ALJG Group	BU2	GP	ACU	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	5,190	–	–	45,686	50,876
Right-of-use assets	32,171	–	–	7,037	39,208
Investment in joint venture	1,527	–	–	–	1,527
Intangible assets	3,398	–	–	–	3,398
Deferred tax assets	236	–	–	–	236
Inventories	61,603	–	–	–	61,603
Trade and other receivables	3,231	–	–	41	3,272
Prepayments	522	2	–	5	529
Amount due from joint venture	1	–	–	–	1
Amount due from related parties	121	131	–	–	252
Amount due from immediate holding company	21,284	–	–	667	21,951
Cash and bank balances	1,844	22	–	280	2,146
	131,128	155	–	53,716	184,999
Trade and other payables	(15,172)	(30)	–	(643)	(15,845)
Amount due to joint venture	(667)	–	–	–	(667)
Amount due to related parties	(1,020)	–	–	–	(1,020)
Amount due to holding company	–	–	(14)	–	(14)
Interest-bearing loans	(28,653)	–	–	(41,491)	(70,144)
Lease liabilities	(32,964)	–	–	(7,462)	(40,426)
Provision for taxation	(1,904)	–	–	(70)	(1,974)
Deferred tax liabilities	–	–	–	(996)	(996)
	50,748	125	(14)	3,054	53,913
Gain of control of joint venture (Note 15)	(1,527)	–	–	(1,527)	(3,054)
Total net assets at carrying value	49,221	125	(14)	1,527	50,859
Cash paid, representing total consideration transferred					(30,000)
Issuance of shares					(49,865)
Contingent shares					(5,889)
Amount owing to immediate holding company					(13,000)
Merger reserve (Note 26(c))					(47,895)
<u>Effect of the acquisition of subsidiaries on cash flows</u>					
Cash paid					(30,000)
Less: Cash and cash equivalents of subsidiary acquired					2,146
Net cash outflow on acquisition					(27,854)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. Investment in joint venture

The Company has Nil (2021: 50%) interest in the ownership and voting rights in AL Capital (Ubi) Pte. Ltd. (formerly known as Aspial Capital (Ubi) Pte. Ltd.) (“**ACU**”) amounting to cost of investment of \$Nil (2021: \$2,000,000).

ACU was incorporated in Singapore and was a strategic venture in the business of investment holding. The Company jointly controlled ACU with a subsidiary under the contractual agreement which provides the Company with rights to the net assets of the joint venture and requires unanimous consent for all major decisions over the relevant activities.

On 30 September 2022, the Company entered into a sale and purchase agreement with ACL to purchase the remaining 50% interest in ACU held by ALJG. Details of the acquisition are disclosed in Note 14. Subsequent to the acquisition, ACU became a wholly owned subsidiary of the Company.

Details of the joint venture are as follow:

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
(a) AL Capital (Ubi) Pte. Ltd. (formerly known as Aspial Capital (Ubi) Pte. Ltd.)	Singapore	Real estate activities	–	50
(a)	Audited by Ernst & Young LLP, Singapore			

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. Investment in joint venture (continued)

The summarised financial information in respect of ACU based on its financial statements prepared in accordance with SFRS(I) and reconciliation with the carrying amount of the investment in the joint venture is as follows:

Summarised statement of financial position

	ACU 2021
	\$'000
Cash and bank balances	164
Other current assets	118
Total current assets	282
Non-current assets	54,177
Total assets	54,459
Trade and other payables	652
Current financial liabilities	16,490
Other current liabilities	78
Total current liabilities	17,220
Non-current financial liabilities	33,430
Other non-current liabilities	877
Total non-current liabilities	34,307
Total liabilities	51,527
Net assets	2,932
Proportion of Group's ownership	50%
Group's share of net assets and carrying amount of the investment	1,466

Summarised statement of comprehensive income

	ACU	
	01.01.2022 to 30.09.2022	2021
	\$'000	\$'000
Revenue	3,910	5,010
Other operating expenses	(1,208)	(1,386)
Depreciation	(1,460)	(1,979)
Finance costs	(967)	(1,039)
Profit before tax	275	606
Income tax expense	(153)	(492)
Profit for the year, representing other comprehensive income	122	114
Proportion of Group's ownership	50%	50%
Group's share of results of joint venture	61	57

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16. Derivative financial instruments

	Group					
	2022			2021		
	Contract notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	48,219	754	(902)	20,756	219	-

The Group entered into foreign currency forward contracts mainly in US Dollar, Australian Dollar and Euro (2021: Australian Dollar and Euro), maturing within the next 12 months (2021: 12 months) to mitigate its exposure to foreign currency risks from Australian Dollar and Euro receivables and sales/purchase denominated in USD for which firm commitment is accounted for as cash flow hedges.

17. Investment securities

	Group	
	2022 \$'000	2021 \$'000
Non-current:		
At fair value through other comprehensive income		
- Equity securities (unquoted)		
BigFundr Private Limited	725	500
- Equity securities (quoted)		
Lippo Malls Indonesia Retail Trust	1,116	2,457
Total financial assets measured at fair value through other comprehensive income	1,841	2,957

The Group elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity securities for long-term appreciation.

During the financial year ended 31 December 2022, the Group redeemed debt securities held at FVOCI upon their maturity for proceeds of \$Nil (2021: \$750,000). The cumulative gain arising from derecognition amounted to \$Nil (2021: \$7,000) and was recognised in profit or loss.

During the financial year ended 31 December 2022, the Group acquired equity instruments designated at FVOCI amounting to \$225,000 (2021: \$500,000).

Investment pledged as securities

A floating charge has been placed on investment securities with a carrying value of \$1,116,000 (2021: \$2,457,000) as security for bank borrowings (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Inventories

	Note	Group	
		2022	2021
		\$'000	\$'000
Consolidated statement of financial position:			
Finished goods		166,773	90,927
Raw materials		4,197	-
Packing materials		328	-
		<u>171,298</u>	<u>90,927</u>
Consolidated statement of comprehensive income:			
Inventories recognised as an expense:			
- Material costs		208,785	143,881
- Write-back of inventories	8	<u>(269)</u>	<u>(14)</u>

A floating charge has been placed on inventories with a carrying value of \$95,114,000 (2021: \$79,768,000) as security for bank borrowings (Note 23).

Write-back of inventories was made when the related inventories were sold above their carrying amounts in 2022.

19. Trade and other receivables

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Trade and other receivables (current):					
Trade receivables		362,358	327,526	71	-
Other receivables		20,296	806	-	11
Security deposits		1,597	1,156	-	-
		<u>384,251</u>	<u>329,488</u>	<u>71</u>	<u>11</u>
Other receivables (non-current):					
Security deposits		<u>3,953</u>	<u>2,086</u>	<u>-</u>	<u>-</u>
Total trade and other receivables (current and non-current)					
		<u>388,204</u>	<u>331,574</u>	<u>71</u>	<u>11</u>
Add/(less):					
Due from subsidiaries (non-trade)	20	-	-	112,867	135,604
Due from related companies (non-trade)	20	93	-	22	-
Due from immediate holding company (non-trade)	20	10	-	-	-
Cash and bank balances	21	30,813	19,735	2,577	4,712
GST receivable, net		(757)	(282)	(71)	-
Total financial assets carried at amortised cost		<u>418,363</u>	<u>351,027</u>	<u>115,466</u>	<u>140,327</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

19. Trade and other receivables (continued)

Trade receivables comprise pawnshop loans, interest receivables on pawnshop loans, secured lending receivables, interest and distribution receivables on secured lending receivables and trade receivables from retailing and trading of jewellery and branded merchandise.

Pawnshop loans are loans extended to customers under pawnbroking business which are interest-bearing at rates ranging between 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months (2021: 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months). The quantum of loans granted to customers is based on a portion of the value of the collateral pledged to the Group.

Secured lending receivables are measured at amortised cost using the effective interest rate method which are interest bearing at rates ranging between 3% to 16% (2021: 6% to 16%) per annum and are secured by way of debenture over properties (2021: debenture over properties). These receivables have remaining maturities between 3 to 12 months (2021: 1 to 6 months).

Trade receivables from retailing and trading of jewellery and branded merchandise are non-interest-bearing and generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables comprise mainly loans given to third parties and are non-interest bearing except for the amount of \$19,368,000 (2021: \$Nil) which bears interest at 4.08% (2021: Nil) per annum.

A floating charge has been placed on trade and other receivables with a carrying value of \$351,567,000 (2021: \$299,007,000) as security for bank borrowings (Note 23). A fixed charge has been placed on trade receivables with a carrying value of \$Nil (2021: \$5,874,000) as security for term loan from third party (Note 23).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
United States Dollar	119	23	-	-
Australian Dollar	283	9,810	-	-
Euro	4,455	11,889	-	-
Japanese Yen	-	21	-	-
Hong Kong Dollar	89	-	-	-

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Note	Group	
		2022	2021
		\$'000	\$'000
Movement in allowance accounts:			
At 1 January		-	-
Charge for the year	8	(4,033)	(3,852)
Written off		4,033	3,852
At 31 December		-	-

When a customer default occurs, the Group has no reasonable expectation of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retailing and trading of jewellery and branded merchandise business segment (Note 29).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

20. Due from subsidiaries (non-trade) Due from immediate holding company (non-trade) Due from related companies (non-trade) Due to immediate holding company (non-trade) Due to related companies (non-trade)

The amounts due from subsidiaries are unsecured, receivable on demand and are to be settled in cash. These amounts are interest-free except for amounts due from subsidiaries of \$2,338,000 (2021: \$22,363,000) which bear interest at rates ranging from 1.93% to 7.35% (2021: 1.80% to 7.35%) per annum.

The amounts due from/(to) immediate holding company and related companies are unsecured, interest-free, receivable/(repayable) on demand and are to be settled in cash.

The amounts due from/(to) related companies are unsecured, interest-free, receivable/(repayable) on demand and are to be settled in cash.

21. Cash and bank balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	30,813	19,735	2,577	4,712

A floating charge has been placed on cash and bank balances with a carrying value of \$9,034,000 (2021: \$6,670,000) as security for bank borrowings (Note 23).

Cash and bank balances denominated in foreign currency are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	1,076	333	-	-
United States Dollar	18	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22. Trade and other payables

Note	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade and other payables (current):				
Trade payables	10,366	597	–	14
Other payables	22,926	758	3	132
Accrued operating expenses				
- Payroll related	5,169	4,023	464	593
- Others	6,209	3,353	1,977	1,709
Deposits received	4,175	3,461	–	–
	<u>48,845</u>	<u>12,192</u>	<u>2,444</u>	<u>2,448</u>
Other payables (non-current):				
Other payables	80	111	–	–
	<u>80</u>	<u>111</u>	<u>–</u>	<u>–</u>
Total trade and other payables (current and non-current)	48,925	12,303	2,444	2,448
Add/(less):				
Due to immediate holding company (non-trade)	20	6	13,500	6
Due to related companies (non-trade)	20	3	–	3
Interest-bearing loans	23	336,297	–	–
Medium-Term Notes	24	45,250	59,527	45,250
Accrued operating expenses				
- Payroll related	(393)	(370)	(9)	(8)
- Provision for reinstatement cost	(952)	(714)	–	–
- GST payable, net	(1,448)	(426)	–	(14)
Total financial liabilities carried at amortised cost	<u>570,695</u>	<u>392,349</u>	<u>75,462</u>	<u>47,685</u>

Trade and other payables are unsecured, non-interest bearing and settled based on agreed payment terms except for the amount of \$19,764,000 (2021: \$Nil) which bears interest at range of 4.28% to 6.00% (2021: Nil) per annum.

Trade and other payables denominated in foreign currencies are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Hong Kong Dollar	1,556	39	–	–
United States Dollar	6,708	92	–	–
Singapore Dollar	47	10	–	–
Euro	860	12	–	–
	<u>860</u>	<u>12</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22. Trade and other payables (continued)

Provision for reinstatement cost

Provision for reinstatement costs is recognised when the Group enters into a lease agreement for its premises. It includes the estimated cost of demolishing and removing the renovations made by the Group to the premises. The premise shall be reinstated to the conditions set out in the lease agreement upon the expiration of the lease agreement.

Movement of provision for reinstatement cost are as follows:

	Group	
	2022	2021
	\$'000	\$'000
At 1 January	714	359
Acquisition of subsidiaries	104	–
Provision	231	360
Utilised	(74)	(5)
Translation difference	(23)	–
At 31 December	952	714

23. Interest-bearing loans

Note	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Secured borrowings				
<i>Current</i>				
Short-term bank borrowings	338,052	243,887	–	–
Term loans	9,998	8,409	–	–
	348,050	252,296	–	–
<i>Non-current</i>				
Term loans	100,199	84,001	–	–
	448,249	336,297	–	–
Add:				
Medium-Term Notes	24	59,527	45,250	59,527
Total loans and borrowings	507,776	381,547	59,527	45,250

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

23. Interest-bearing loans (continued)

(a) **Details of securities in relation to interest-bearing loans are as follows:**

Short-term bank borrowings of \$318,914,000 (2021: \$236,771,000) are secured by way of fixed and floating charges on all assets of certain subsidiaries and corporate guarantee by the Company. Short-term bank borrowings of \$Nil (2021: \$2,968,000) are secured by way of secured lending receivables of a subsidiary.

Short-term bank borrowings of \$19,138,000 (2021: \$4,148,000) are secured by way of legal mortgage over the freehold and leasehold properties (Note 11) and investment properties (Note 12) and corporate guarantee by the Company.

Term loans of \$92,892,000 (2021: \$71,329,000) bear interest at rates ranging from 1.5% to 6.5% (2021: 1.5% to 3.2%) per annum, are secured by way of legal mortgage over the freehold and leasehold properties (Note 11) and investment properties (Note 12) and corporate guarantee by the Company and/or the immediate holding company.

Term loans of \$17,305,000 (2021: \$21,081,000) bear interest at rates ranging from 2.00% to 2.5% (2021: 2.00%) per annum and are secured by way of corporate guarantee by the Company.

(b) **Effective interest rate**

Weighted average effective annual interest rates of interest-bearing loans at the end of the financial year are as follows:

	Group	
	2022	2021
Short-term bank borrowings	3.11%	1.91%
Term loans	1.93%	2.27%

24. Medium-Term Notes

Date issued	Interest rate	Maturity date	Aggregate principal amount outstanding			
			Group		Company	
	%		2022	2021	2022	2021
			\$'000	\$'000	\$'000	\$'000
Current						
22 July 2019	6.35	22 July 2022	–	45,250	–	45,250
			–	45,250	–	45,250
Non-current						
24 January 2022	6.05	24 January 2025	59,527	–	59,527	–
Total			59,527	45,250	59,527	45,250

In 2017, the Company established a Multicurrency Medium-Term Note programme (“MTN Programme”), under which the Company may issue notes from time to time. Unless previously redeemed or purchased and cancelled, the Medium-Term Notes are redeemable at the principal amounts on the maturity date and interest is payable semi-annually. The Medium-Term Notes issued by the Company under the MTN Programme are unsecured.

As at 31 December 2021, the Company had \$45,250,000 of Series 002 notes at 6.35% due on 22 July 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. Medium-Term Notes (continued)

On 3 January 2022, the Company issued an updated Information Memorandum relating to the MTN Programme and issued a Notice of Tender for Series 002 notes of \$7,000,000 and Exchange Offer Exercise (the "Exercise") to Series 002 note holders of \$23,250,000.

Upon completion of the Exercise on 24 January 2022, the Company issued \$60,000,000 6.05% notes due 24 January 2025 (Series 003 Notes) comprising \$23,250,000 in aggregate principal amount of Exchange Offer Notes and \$36,750,000 additional notes.

The remaining Series 002 notes of \$15,000,000 are fully redeemed by the Company on maturity.

A reconciliation of liabilities arising from financing activities is as follows:

Group	1 January	Net cash flows from financing activities	Medium-Term Notes issuance fee	Non-cash changes			31 December
				Translation difference	Acquisition of subsidiaries	Amortisation of Medium-Term Notes issuance fee	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
Medium-Term Notes	45,250	14,750	(836)	-	-	363	59,527
Short-term bank borrowings	243,887	54,082	-	(67)	40,150	-	338,052
Term loans	92,410	(12,207)	-	-	29,994	-	110,197
Total	381,547	56,625	(836)	(67)	70,144	363	507,776
2021							
Medium-Term Notes	45,250	-	-	-	-	-	45,250
Short-term bank borrowings	196,379	47,520	-	(12)	-	-	243,887
Term loans	69,141	23,269	-	-	-	-	92,410
Total	310,770	70,789	-	(12)	-	-	381,547

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. Leases

Group as a lessee

The Group has lease contracts for land and retail stores used in its operations. Lease of land have lease terms of 37 years and retail stores generally have lease terms between 2 and 7 years. The Group's obligations under the leases are secured by the respective lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of retail stores with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

(a) *Carrying amounts of right-of-use assets*

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Land	Retail stores	Total
	\$'000	\$'000	\$'000
At 1 January 2021	–	34,046	34,046
Additions	–	9,026	9,026
Depreciation	–	(11,028)	(11,028)
Modification	–	2,156	2,156
Termination	–	(761)	(761)
Translation difference	–	(125)	(125)
At 31 December 2021 and 1 January 2022	–	33,314	33,314
Additions	–	6,063	6,063
Depreciation	(52)	(13,860)	(13,912)
Modification	–	21,259	21,259
Termination	–	(3,434)	(3,434)
Impairment	–	(189)	(189)
Acquisition of subsidiaries	7,037	32,171	39,208
Translation difference	–	(211)	(211)
At 31 December 2022	6,985	75,113	82,098

Impairment of right-of-use assets

During the financial year ended 31 December 2022, the Group undertook an assessment of the recoverable amounts of the right-of-use assets with indicators of impairment. As a result of the assessment, the Group recorded impairment loss of \$189,000 (2021: \$Nil) to its recoverable amounts arising from the closure of certain outlets under the pawnbroking segment, recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2022	2021
	\$'000	\$'000
As at 1 January	34,410	34,941
Cash flow:		
Payments	(15,236)	(11,805)
Non-cash changes:		
Accretion of interest	1,475	1,002
Additions	6,063	9,026
Modification	21,122	2,156
Termination	(3,540)	(761)
Acquisition of subsidiaries	40,426	–
Translation difference	(296)	(149)
As at 31 December	<u>84,424</u>	<u>34,410</u>
Current portion	21,101	10,304
Non-current portion	<u>63,323</u>	<u>24,106</u>
	<u>84,424</u>	<u>34,410</u>

The maturity analysis of lease liabilities is disclosed in Note 31(a).

(c) Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

		Group	
	Note	2022	2021
		\$'000	\$'000
Depreciation of right-of-use assets		13,912	11,028
Interest expense on lease liabilities	6	1,475	1,002
Impairment loss on right-of-use assets	8	189	–
Gain on termination/modification of leases	7	(243)	–
Lease expenses relating to short-term leases (included in other operating expenses)	8	1,618	2,370
Variable lease payments (included in other operating expenses)			
- Contingent rent	8	411	163
- COVID-19-related rent concessions	7	(68)	(2,165)
Total amount recognised in profit or loss		<u>17,294</u>	<u>12,398</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. Leases (continued)

Group as a lessee (continued)

(d) Total cash outflow

The Group had total cash outflows for leases of \$17,197,000 (2021: \$12,173,000) in 2022.

(e) Extension options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. These have been capitalised in the right-of-use assets and lease liabilities.

Group as a lessor

The Group has entered into commercial property subleases of its retail stores, leasehold properties and investment properties. These non-cancellable leases have remaining lease terms of less than three years.

Rental income recognised by the Group during the year is \$1,659,000 (2021: \$1,329,000).

Future minimum rentals receivable under non-cancellable operating leases contracted for as at 31 December are as follows:

	Group	
	2022 \$'000	2021 \$'000
Not later than one year	1,089	1,170
Later than one year but not later than five years	958	320
	<u>2,047</u>	<u>1,490</u>

26. Share capital, treasury shares and other reserves

(a) Share capital

	Group and Company			
	2022		2021	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid ordinary shares:				
Balance at 1 January	1,067,252,356	142,341	1,035,252,356	137,286
Issuance of ordinary shares	311,656,441	49,865	32,000,000	5,184
Share issuance expense	–	–	–	(129)
Balance at 31 December	<u>1,378,908,797</u>	<u>192,206</u>	<u>1,067,252,356</u>	<u>142,341</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

On 30 September 2022, the Company completed the acquisition of subsidiaries which was partly settled by way of issuance of 311,656,441 new ordinary shares of the Company.

On 13 December 2021, the Company issued an aggregate of 32,000,000 ordinary shares at an issue price of \$0.162 for cash via a private placement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Share capital, treasury shares and other reserves (continued)

(b) Treasury shares

	Group and Company			
	2022		2021	
	No. of shares	\$'000	No. of shares	\$'000
At 1 January	325,122	59	66,122	9
Share buyback through open market ⁽¹⁾⁽³⁾	884,000	145	1,148,500	209
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan ⁽²⁾⁽⁴⁾	(1,100,800)	(185)	(889,500)	(159)
Balance at 31 December	<u>108,322</u>	<u>19</u>	<u>325,122</u>	<u>59</u>

(1) On 24 August 2022 and 25 August 2022, the Company purchased an aggregate of 884,000 shares, which are held as treasury shares.

(2) On 31 August 2022, the Company issued 1,100,800 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

(3) On 9 June 2021, the Company purchased an aggregate of 1,148,500 shares, which are held as treasury shares.

(4) On 25 June 2021, the Company issued 889,500 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

(c) Other reserves

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fair value adjustment reserve	(1,564)	(451)	-	-
Loss on reissuance of treasury shares	(28)	(23)	(28)	(23)
Foreign currency translation reserve	403	(17)	-	-
Capital reserve	5,889	-	5,889	-
Merger reserve	(53,309)	(5,414)	-	-
Change in ownership interest in subsidiary without a change in control	(34)	(23)	-	-
Hedging reserve	(70)	-	-	-
	<u>(48,713)</u>	<u>(5,928)</u>	<u>5,861</u>	<u>(23)</u>

Fair value adjustment reserve

This represents the cumulative fair value changes, net of tax, of financial assets until they are disposed of or impaired.

Loss on reissuance of treasury shares

This represents the loss arising from treasury shares re-issued pursuant to Maxi-Cash Performance Share Plan.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Share capital, treasury shares and other reserves (continued)

(c) **Other reserves (continued)**

Foreign currency translation reserve

This represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve

This represents reserve on acquisition of subsidiaries under common control from Aspial Corporation Limited as follows:

- Acquisition of Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.) and its subsidiaries, BU2 Services Pte. Ltd., Gold Purple Pte. Ltd. in 2022 amounting to \$47,895,000 (Note 14),
- Acquisition of Aspial Property Investment Pte. Ltd. (Amalgamated with Maxi-Cash Property Pte. Ltd. pursuant to Section 215A and Section 215D of the Companies Act 1967, with Maxi-Cash Property Pte. Ltd. remaining as the surviving entity) in 2019 amounting to \$3,913,000, and
- Acquisition of Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) in 2018 amounting to \$1,501,000.

Capital reserve

Balance as at 31 December 2022 of the Group and Company includes \$5,889,000 arising from 36,809,815 contingent shares issuable in relation to earn-out consideration for the acquisition of Aspial Lifestyle Jewellery Group Pte. Ltd. (formerly known as Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.) and its subsidiaries, BU2 Services Pte. Ltd., Gold Purple Pte. Ltd. as disclosed in Note 14 to the financial statements.

Hedging reserve

Hedging reserve represents the cumulative fair value changes on foreign currency forward contracts accounted for as cash flow hedge.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Note	Group	
		2022	2021
		\$'000	\$'000
Sales to a related company		(170)	(424)
Management services to related companies	7	(314)	(195)
Purchases from a related company		247	381
Corporate services charged by a related company		3,477	2,877
Rental charged by a joint venture		1,530	2,019
Management services charged by a related company		–	38
Rental income from related companies		(143)	–
Purchase of computer software from a related company		2,564	–
Acquisition of subsidiaries from immediate holding company		98,755	–

(b) *Compensation of key management personnel*

	Group	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	2,243	1,671
Central Provident Fund contributions	88	53
Total compensation paid to key management personnel	2,331	1,724
<i>Comprise amounts paid to:</i>		
Directors of the Company	1,154	918
Other key management personnel	1,177	806
	2,331	1,724

28. Contingent liabilities

Guarantees

The Company has provided corporate guarantees to banks for loans extended to a joint venture, in proportion to its equity interest, amounting to \$Nil (2021: \$21,190,000) at the end of the financial year.

The Company has provided corporate guarantees to banks for an aggregate amount of \$398,857,000 (2021: \$333,329,000) in respect of bank borrowings of certain subsidiaries (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. Segmental information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the respective products and services. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets.

The Group is organised into three main operating business segments, namely:

- (a) Pawnbroking;
- (b) Money lending; and
- (c) Retailing and trading of jewellery and branded merchandise.

"Others" segment include rental of properties, provision of other support services, share of result of joint venture and investment holding (including investment properties) which are mainly intersegment transactions.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. Segmental information (continued)

	Pawnbroking	Money lending	Retailing and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
2022							
Revenue	51,526	2,122	265,360	–	–		319,008
Inter-segment revenue	44,727	–	22	–	(44,749)	A	–
Results							
Segment results	17,678	1,396	18,246	17,024	(16,041)		38,303
Share of result of joint venture	–	–	–	61	–		61
Interest income	–	–	210	1,845	(1,411)		644
Dividend income from equity securities	–	–	–	198	–		198
Finance costs	(8,712)	(1,016)	(1,970)	(7,115)	1,411		(17,402)
Profit before tax	8,966	380	16,486	12,013	(16,041)	B	21,804
Segment assets	422,215	10,285	271,448	333,348	(210,814)	C	826,482
Total assets							826,482
Segment liabilities	373,828	10,251	194,603	298,212	(210,776)	D	666,118
Total liabilities							666,118
Capital expenditure	1,640	–	730	61	–		2,431
Depreciation and amortisation	11,141	–	5,612	1,512	–		18,265
Other significant non-cash expenses/(income)	362	–	129	(1,676)	–	E	(1,185)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. Segmental information (continued)

	Pawnbroking	Money lending	Retailing and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
2021							
Revenue	46,043	2,082	177,578	-	-		225,703
Inter-segment revenue	41,121	-	13	-	(41,134)	A	-
Results							
Segment results	13,136	1,661	9,421	17,819	(14,675)		27,362
Share of result of joint venture	-	-	-	57	-		57
Interest income	8	-	-	1,118	(1,098)		28
Dividend income from equity securities	-	-	-	298	-		298
Finance costs	(5,166)	(816)	(666)	(4,612)	1,098		(10,162)
Profit before tax	7,978	845	8,755	14,680	(14,675)	B	17,583
Segment assets	380,139	23,299	108,526	286,492	(217,978)	C	580,478
Investment in joint venture	-	-	-	1,466	-		1,466
Total assets							581,944
Segment liabilities	332,638	22,422	95,415	198,810	(217,897)	D	431,388
Total liabilities							431,388
Capital expenditure	1,821	-	899	22,535	-		25,255
Depreciation and amortisation	11,829	-	1,727	953	-		14,509
Other significant non-cash expenses/(income)	242	-	(14)	(40)	-	E	188

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. Segmental information (continued)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated statements of comprehensive income:

	Group	
	2022	2021
	\$'000	\$'000
Profit from inter-segment sales	<u>(16,041)</u>	<u>(14,675)</u>

C The following items are deducted from segment assets to arrive at total assets reported in the consolidated statements of financial position:

	Group	
	2022	2021
	\$'000	\$'000
Inter-segment assets	<u>(210,814)</u>	<u>(217,978)</u>

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	Group	
	2022	2021
	\$'000	\$'000
Inter-segment liabilities	<u>(210,776)</u>	<u>(217,897)</u>

E Other non-cash expenses consist of the following items, as presented in the respective notes to the financial statements:

		Group	
	Note	2022	2021
		\$'000	\$'000
Loss on disposal/write-off of property, plant and equipment	8	278	134
Fair value gain on investment properties	7	(800)	(40)
Write-back of inventories	8	(269)	(14)
Financial losses on pledged items not fully covered by insurance	8	10	108
Impairment loss on property, plant and equipment	8	526	-
Impairment loss on right-of-use assets	8	189	-
Gain on disposal of investment properties	7	(876)	-
Gain on termination/modification of leases	7	(243)	-
		<u>(1,185)</u>	<u>188</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. Segmental information (continued)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group			
	Revenue		Non-current assets	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore	299,809	212,440	227,472	124,501
Others	19,199	13,263	2,145	8,207
	<u>319,008</u>	<u>225,703</u>	<u>229,617</u>	<u>132,708</u>

Non-current assets information presented above comprise property, plant and equipment, investment properties, right-of-use assets, intangible assets and investment in joint venture as presented in the consolidated statement of financial position.

30. Dividends

	Group and Company	
	2022	2021
	\$'000	\$'000
Dividends on ordinary shares paid during the year		
Interim exempt (one-tier) dividend in respect of profits for 2020: 1.45 cent per share based on 1,035,186,234 shares	–	15,010
Interim exempt (one-tier) dividend in respect of profits for 2021: 0.60 (2021: 0.65) cent per share based on 1,066,927,234 shares (2021: 1,034,927,234) shares	6,402	6,727
Interim exempt (one-tier) dividend in respect of profits for 2022: 0.65 cent per share based on 1,066,927,234 shares	6,935	–
	<u>13,337</u>	<u>21,737</u>

On 23 February 2023, the Company proposed a one-tier interim exempt dividend of \$5,515,000 (0.40 cent per share) for the financial year ended 31 December 2022. The interim dividend was approved by the Board of Directors on 23 February 2023.

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Assistant Finance Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2022				
<i>Financial assets:</i>				
Trade and other receivables	383,857	3,953	–	387,810
Due from related companies (non-trade)	93	–	–	93
Due from immediate holding company (non-trade)	10	–	–	10
Investment securities	–	–	1,841	1,841
Derivative financial instruments	754	–	–	754
Cash and bank balances	30,813	–	–	30,813
Total undiscounted financial assets	415,527	3,953	1,841	421,321
<i>Financial liabilities:</i>				
Trade and other payables	46,052	80	–	46,132
Due to immediate holding company (non-trade)	13,502	–	–	13,502
Due to related companies (non-trade)	3,285	–	–	3,285
Interest-bearing loans	352,582	57,017	58,831	468,430
Derivative financial instruments	902	–	–	902
Medium-Term Notes	3,630	63,385	–	67,015
Lease liabilities	22,768	57,660	13,527	93,955
Total undiscounted financial liabilities	442,721	178,142	72,358	693,221
Total net undiscounted financial liabilities	(27,194)	(174,189)	(70,517)	(271,900)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(a) Liquidity risk (continued)

	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2021				
Financial assets:				
Trade and other receivables	330,176	2,086	–	332,262
Investment securities	–	–	2,957	2,957
Derivative financial instruments	219	–	–	219
Cash and bank balances	19,735	–	–	19,735
Total undiscounted financial assets	350,130	2,086	2,957	355,173
Financial liabilities:				
Trade and other payables	10,682	111	–	10,793
Due to immediate holding company (non-trade)	6	–	–	6
Due to related companies (non-trade)	3	–	–	3
Interest-bearing loans	254,449	34,940	62,850	352,239
Medium-Term Notes	46,840	–	–	46,840
Lease liabilities	11,101	23,483	1,782	36,366
Total undiscounted financial liabilities	323,081	58,534	64,632	446,247
Total net undiscounted financial assets/ (liabilities)	27,049	(56,448)	(61,675)	(91,074)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(a) Liquidity risk (continued)

	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Company				
2022				
Financial assets:				
Due from subsidiaries (non-trade)	113,003	–	–	113,003
Due from related company (non-trade)	22	–	–	22
Cash and bank balances	2,577	–	–	2,577
Total undiscounted financial assets	115,602	–	–	115,602
Financial liabilities:				
Trade and other payables	2,435	–	–	2,435
Medium-Term Notes	3,630	63,385	–	67,015
Due to immediate holding company (non-trade)	13,500	–	–	13,500
Total undiscounted financial liabilities	19,565	63,385	–	82,950
Total net undiscounted financial assets/ (liabilities)	96,037	(63,385)	–	32,652
Financial guarantees*	313,360	35,131	50,366	398,857
2021				
Financial assets:				
Trade and other receivables	11	–	–	11
Due from subsidiaries (non-trade)	137,591	–	–	137,591
Cash and bank balances	4,712	–	–	4,712
Total undiscounted financial assets	142,314	–	–	142,314
Financial liabilities:				
Trade and other payables	2,426	–	–	2,426
Medium-Term Notes	46,840	–	–	46,840
Due to immediate holding company (non-trade)	6	–	–	6
Due to related companies (non-trade)	3	–	–	3
Total undiscounted financial liabilities	49,275	–	–	49,275
Total net undiscounted financial assets	93,039	–	–	93,039
Financial guarantees*	257,521	42,447	54,551	354,519

* This shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its term loans and short term borrowings. Other than the Medium-Term Notes and certain bank borrowings which are at fixed rates, the Group's loans are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts. At the end of the reporting period, term notes of \$59,527,000 (2021: \$45,250,000) and interest-bearing loans of \$17,305,000 (2021: \$24,049,000) are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2021: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$1,789,000 (2021: \$1,296,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans and short term borrowings.

(c) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are that are denominated in a currency other than the respective functional currencies of the Group's entities. The foreign currencies in which these transactions are denominated are mainly Australian Dollar ("AUD"), Euro ("EUR"), United State Dollar ("USD") and Hong Kong Dollar ("HKD").

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

As disclosed in Note 16, the Group entered into forward currency contracts during the financial year to mitigate its exposure to foreign currency risks on Australian Dollar, Euro and United State Dollar.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in AUD, USD, EUR and HKD exchange rates (against SGD), with all other variables held constant.

	2022	2021
	Profit	Profit
	before tax	before tax
	\$'000	\$'000
	(lower)/ higher	(lower)/ higher
AUD - strengthened 5% (2021: 5%)	68	17
- weakened 5% (2021: 5%)	(68)	(17)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(c) *Foreign currency risk (continued)*

Sensitivity analysis for foreign currency risk (continued)

	2022	2021
	Profit	Profit
	before tax	before tax
	\$'000	\$'000
	(lower)/	(lower)/
	higher	higher
USD - strengthened 5% (2021: 5%)	(329)	(3)
- weakened 5% (2021: 5%)	329	3
EUR - strengthened 5% (2021: 5%)	43	(1)
- weakened 5% (2021: 5%)	(43)	1
HKD - strengthened 5% (2021: 5%)	(73)	(2)
- weakened 5% (2021: 5%)	73	2

(d) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables and quoted debt instruments. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(d) *Credit risk (continued)*

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due, where legally enforceable or practicable. Where recoveries are made, these are recognised in profit or loss.

The following are classes of financial assets that are exposed to credit risk:

Secured lending receivables (Note 19)

Secured lending receivables are secured by way of collateralised real estate held by the investment trustee. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

Pawnshop loans (Note 19)

Collateralised nature of the pawnshop loans whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

Interest receivables on pawnshop loans (Note 19)

When customer default occurs, the Group has no reasonable expectations of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retail and trading of jewellery and branded merchandise business segment (Note 29).

Expected credit losses of pawnshop loans and interest receivables on pawnshop loans

The Group uses a provision matrix to estimate the allowance for expected credit losses ("ECLs") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation are involved in using the historical non-redemption data to derive the probability of default as well as considering any forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. Financial risk management objectives and policies (continued)

(d) *Credit risk (continued)*

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring significant counterparties of its trade receivables on an ongoing basis. At the end of the financial year, 100% (2021: 100%) of the Group's trade receivables in the money lending business segment were due from 3 debtors (2021: 3 debtors).

32. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the financial year:

	Note	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	Total \$'000
Group					
2022					
<u>Financial assets</u>					
<i>At fair value through other comprehensive income</i>					
- Equity securities (unquoted)	17	–	–	725	725
- Equity securities (quoted)	17	1,116	–	–	1,116
<i>At fair value through profit or loss</i>					
- Forward currency contracts	16	–	754	–	754
		1,116	754	725	2,595
<u>Non-financial assets</u>					
- Investment properties	12	–	11,650	–	11,650
<u>Financial liabilities</u>					
<i>At fair value through profit or loss</i>					
- Forward currency contracts	16	–	902	–	902

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

(b) *Assets and liabilities measured at fair value (continued)*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the financial year:

	Note	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	Total \$'000
Group					
2021					
<u>Financial assets</u>					
<i>At fair value through other comprehensive income</i>					
- Equity securities (unquoted)	17	–	–	500	500
- Equity securities (quoted)	17	2,457	–	–	2,457
<i>At fair value through profit or loss</i>					
- Forward currency contracts	16	–	219	–	219
		2,457	219	500	3,176
<u>Non-financial assets</u>					
- Investment properties	12	–	16,850	–	16,850

There are no transfers of assets or liabilities between Levels 1, 2 and 3.

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward currency contracts

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			
Recurring fair value measurements				
Unquoted equity securities at fair value through other comprehensive income (Note 17)	725	Market approach	Note 1	Not applicable
Investment properties (Note 12)	11,650	Market comparable approach	Price per square feet	\$1,781 to \$4,009
Description	Fair value at 31 December 2021	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			
Recurring fair value measurements				
Unquoted equity securities at fair value through other comprehensive income (Note 17)	500	Market approach	Note 1	Not applicable
Investment properties (Note 12)	16,850	Market comparable approach	Price per square feet	\$1,830 to \$8,420

Note 1 – Unquoted equity securities at fair value through other comprehensive income

The valuation of investment in unquoted equity securities is based on the latest round of funding exercised by the investee.

Note 2 – Investment properties

For investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
	Equity securities (unquoted)	Investment properties	Total
	\$'000	\$'000	\$'000
Group			
2022			
Opening balance	500	16,850	17,350
Purchases	225	–	225
Disposal	–	(6,000)	(6,000)
Fair value gain on investment properties	–	800	800
Closing balance	725	11,650	12,375
2021			
Opening balance	–	10,810	10,810
Transfer from property, plant and equipment	–	6,000	6,000
Purchases	500	–	500
Fair value gain on investment properties	–	40	40
Closing balance	500	16,850	17,350

Fair value gain on investment properties is recognised in "Other income" in the consolidated statement of comprehensive income.

(iii) Valuation policies and procedures

The Group's Assistant Finance Director oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(iii) Valuation policies and procedures (continued)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, management has considered the reports and representations provided by the investment manager.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Fair value measurements at the end of the financial year using		
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant unobservable inputs (Level 3) \$'000	Carrying amount \$'000
Group			
2022			
Financial assets:			
<i>Non-current:</i>			
Deposits	–	3,688	3,953
Financial liabilities:			
<i>Non-current:</i>			
Term notes	59,527	–	59,527
2021			
Financial assets:			
<i>Non-current:</i>			
Deposits	–	1,989	2,086
Financial liabilities:			
<i>Non-current:</i>			
Term notes	44,402	–	45,250

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

32. Fair value of assets and liabilities (continued)

- (e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (continued)*

	Fair value measurements at the end of the financial year using		
	Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 3)	Carrying amount
	\$'000	\$'000	\$'000
Company			
2022			
Financial liabilities:			
<i>Non-current:</i>			
Medium-Term Notes	59,527	–	59,527
2021			
Financial liabilities:			
<i>Non-current:</i>			
Medium-Term Notes	44,402	–	45,250

Determination of fair value

Trade and other receivables

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the financial year.

Medium-Term Notes

The fair values as disclosed in the table above are determined directly by reference to the bid price quotation of the Medium-Term Notes at the end of the financial year.

33. Capital commitment

The Group has entered into lease agreements for retail outlets with lease terms that have not yet commenced as at 31 December 2022. The future lease payments for these non-cancellable lease contracts are \$560,000 within one year, \$4,047,000 within five years and \$1,535,000 thereafter.

The Group has capital expenditure contracted for as at 31 December 2022 but not recognised in the financial statements of \$24,000 and \$144,000 for software development and new outlet renovation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021. The Group does not have any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, due to related companies (non-trade), due to immediate holding company (non-trade), derivative financial instruments, interest-bearing loans, Medium-Term Notes and lease liabilities, less cash and bank balances. Capital refers to equity attributable to owners of the Company.

	Note	Group	
		2022	2021
		\$'000	\$'000
Trade and other payables	22	48,925	12,303
Due to related companies (non-trade)	20	3,285	3
Due to immediate holding company (non-trade)	20	13,502	6
Derivative financial instruments	16	902	–
Interest-bearing loans	23	448,249	336,297
Medium-Term Notes	24	59,527	45,250
Lease liabilities	25(b)	84,424	34,410
Less: Cash and bank balances	21	(30,813)	(19,735)
Net debt		628,001	408,534
Equity attributable to owners of the Company		159,193	149,426
Capital and net debt		787,194	557,960
Gearing ratio		79.8%	73.2%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

35. Events occurring after the reporting period

Acquisition and Put Option arrangement with Maxion Holding Sdn. Bhd.

On 1 December 2022, Maxi Cash (Malaysia) Sdn. Bhd. ("**Maxi-Cash Malaysia**"), a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement ("**Agreement**") to acquire 65% of the issued shares in the capital of Maxion Holding Sdn. Bhd. ("**Maxion**"), for a total cash consideration of up to RM30.7 million which comprise base consideration of RM20.7 million and earn-out consideration of up to RM10.0 million which will be payable based on achievement of certain performance target by Maxion.

The acquisition was completed on 3 January 2023. The reason for the acquisition is to strengthen the Group's presence in Malaysia and provide opportunities for growth.

Pursuant to the Agreement, the Group has also agreed to grant put options to the vendor on completion of the acquisition in which the vendor may require the Group to purchase the remaining 35% shares of Maxion for a consideration based on the exercise price on the exercise date. The put options will be exercisable between 1 January 2027 and 31 December 2032, provided that the Group shall not be required to acquire more than 10% of the issued shares of the Maxion in any one year.

The fair value of the identifiable assets and liabilities at acquisition date is not disclosed because management is in the midst of performing a Purchase Price Allocation ("**PPA**") exercise and has up to 12 months from the date of acquisition to complete and finalise the PPA.

36. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a directors' resolution dated 24 March 2023.

STATISTICS OF SHAREHOLDINGS

As at 31 March 2023

NO. OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	1,378,800,475
CLASS OF SHARES	:	ORDINARY SHARES
NUMBER/PERCENTAGE OF TREASURY SHARES	:	108,322 (0.01%)
VOTING RIGHTS (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	ONE VOTE PER SHARE
NUMBER OF SUBSIDIARY HOLDINGS	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	347	10.86	14,761	0.00
100 - 1,000	656	20.54	338,345	0.02
1,001 - 10,000	825	25.83	3,555,550	0.26
10,001 - 1,000,000	1,327	41.55	111,821,624	8.11
1,000,001 & ABOVE	39	1.22	1,263,070,195	91.61
TOTAL	3,194	100.00	1,378,800,475	100.00

TOP TWENTY SHAREHOLDERS AS AT 31 MARCH 2023

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	ASPIAL CORPORATION LTD	881,308,710	63.92
2	RHB BANK NOMINEES PTE LTD	94,000,000	6.82
3	PHILLIP SECURITIES PTE LTD	55,745,745	4.04
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	50,085,789	3.63
5	HSBC (SINGAPORE) NOMINEES PTE LTD	29,084,785	2.11
6	MAYBANK SECURITIES PTE. LTD.	26,992,651	1.96
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	15,502,571	1.13
8	KO LEE MENG	14,768,050	1.07
9	DBS NOMINEES PTE LTD	11,967,660	0.87
10	NG SHENG TIONG	7,381,482	0.54
11	XAVIER KOH HONGWEI	7,000,000	0.51
12	KOH WEE SENG	6,341,933	0.46
13	ON FOO LIN	6,270,000	0.46
14	OCBC SECURITIES PRIVATE LTD	4,603,675	0.33
15	LEE TIONG ANG	4,595,750	0.33
16	LEE SAU YOONG	4,479,296	0.32
17	LIM SWEE ANN	3,674,071	0.27
18	CHEOK ENG SOON (SHI YONGSHUN)	3,080,000	0.22
19	RAFFLES NOMINEES (PTE) LIMITED	2,944,644	0.21
20	TAN KEE LIANG	2,900,000	0.21
	TOTAL :	1,232,726,812	89.41

STATISTICS OF SHAREHOLDINGS

As at 31 March 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDERS	DIRECT INTEREST NO. OF % OF		DEEMED INTEREST NO. OF % OF	
	SHARES	SHARES	SHARES	SHARES
ASPIAL CORPORATION LIMITED ⁽¹⁾	975,308,710	70.74	–	–
KOH WEE SENG ⁽²⁾⁽³⁾	107,684,121	7.81	975,586,698	70.76
KOH LEE HWEE ⁽²⁾⁽⁵⁾	28,196,664	2.05	982,690,192	71.27
KO LEE MENG ⁽²⁾⁽⁴⁾	17,581,376	1.28	976,768,192	70.84
MLHS HOLDINGS PTE LTD ⁽¹⁾	–	–	975,308,710	72.12

- (1) MLHS Holdings Pte Ltd is the controlling shareholder of Aspial Corporation Limited, holding approximately 53.58% of the shareholdings of Aspial Corporation Limited as at 31 March 2023. MLHS Holdings Pte Ltd is a private limited company incorporated in Singapore on 14 January 1994. It is an investment holding company. The shareholders of MLHS Holdings Pte Ltd are Koh Wee Seng (47.00%), Ko Lee Meng (25.75%), Koh Lee Hwee (24.25%), Tan Su Lan @ Tan Soo Lung (2.00%) and the estate of Koh Chong Him @ Ko Chong Sung (1.00%). Tan Su Lan @ Tan Soo Lung and Koh Chong Him @ Ko Chong Sung (deceased) are the parents of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng. Aspial Corporation Limited's direct interest derived from 881,308,710 shares held in his own name and 94,000,000 shares held in nominee accounts.
- (2) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are directors and substantial shareholders of Aspial Corporation Limited through their shareholdings in MLHS Holdings Pte Ltd. In addition, Koh Wee Seng has 18.70% direct interest in Aspial Corporation Limited as at 31 March 2023. Koh Wee Seng is the chief executive officer of Aspial Corporation Limited. Koh Lee Hwee is an executive director and Ko Lee Meng is a non-executive director of Aspial Corporation Limited.
- (3) Koh Wee Seng's direct interest derived from 6,341,933 shares held in his own name and 101,342,188 shares held in nominee accounts. The deemed interest derived from 277,988 shares held by his spouse, 975,308,710 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.
- (4) Ko Lee Meng's direct interest derived from 14,768,050 shares held in her own name and 2,813,326 shares held in nominee accounts. The deemed interest derived from 1,459,482 shares held by her spouse and 975,308,710 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.
- (5) Koh Lee Hwee's direct interest derived from 28,196,664 shares held in nominee accounts and deemed interest derived from 7,381,482 shares held by her spouse and 975,308,710 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on the information provided to the Company as at 31 March 2023 and to the best knowledge of the Directors, approximately 15.39% of the issued ordinary shares of the Company was held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Aspial Lifestyle Limited (the “**Company**”) will be convened and held at 55 Ubi Avenue 3 Level 1, Singapore 408864 on Friday, 28 April 2023 at 10.00 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors’ Statement and the Auditors’ Report thereon. **Resolution 1**
2. To approve the payment of Directors’ fees of S\$298,000 for the financial year ended 31 December 2022. (2021: S\$298,000) **Resolution 2**
3. To re-elect the following Directors of the Company, retiring by rotation pursuant to Regulation 89 of the Company’s Constitution:-
 - (i) Ms Ko Lee Meng; **Resolution 3**
 - (ii) Mr Tan Keh Yan, Peter; and **Resolution 4**
 - (iii) Mr Tan Soo Kiang. **Resolution 5**

(See Explanatory Notes)
4. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:

5. **Authority to issue shares** **Resolution 7**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

 - (a)
 - (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares; and
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion, deem fit; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

PROVIDED THAT:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.Adjustments in accordance with the above Paragraph 2(a) and 2(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING

6. **Authority to issue shares under the Maxi-Cash Performance Share Plan 2022**

Resolution 8

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), authority be and is hereby given to the Directors of the Company to grant awards in accordance with the rules of the Maxi-Cash Performance Share Plan 2022 and, subject to the provisions of the Companies Act and the constitution of the Company, to issue from time to time such number of new shares and/or transfer from time to time such number of treasury shares as may be required to be delivered pursuant to the vesting of such awards, provided that the total number of new shares which may be issued and/or treasury shares which may be transferred pursuant to awards granted under the Maxi-Cash Performance Share Plan 2022 on any date, when aggregated with the total number of new shares issued and to be issued and/or treasury shares transferred and to be transferred in respect of all awards granted under the Maxi-Cash Performance Share Plan 2022, and all options and awards granted under any other share option scheme, performance share plan or share incentive scheme implemented by the Company and for the time being in force, shall not exceed 15% of the total number of shares in the issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date and that such authority shall from time to time, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note)

7. **Authority to issue shares under the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme**

Resolution 9

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rule of Catalist, the Directors of the Company be and are hereby authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Notes)

8. **Proposed renewal of the Share Purchase Mandate**

Resolution 10

That for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, the Directors of the Company be and are hereby authorised to make purchases of shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the issued ordinary shares in the capital of the Company (ascertained as at date of the passing of this Resolution 10) at the price of up to but not exceeding the Maximum Price, in accordance with the “**Guidelines on Share Purchases**” set out in Annex A of the Appendix to Shareholders dated 13 April 2023 for the renewal of the Share Purchase Mandate (the “**Appendix**”) and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

In this Ordinary Resolution, “**Maximum Price**” means the maximum price at which the shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting five per cent (5%) above the average closing price of the shares over the period of five (5) Market Days (“**Market Day**” being a day on which the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) is open for securities trading) in which transactions in the shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and, in the case of an off-market purchase on an equal access scheme, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs during the relevant five (5) day period.

(See Explanatory Notes)

OTHER BUSINESS

9. To transact any other business.

BY ORDER OF THE BOARD

Lim Swee Ann

Company Secretary
13 April 2023, Singapore

Explanatory Notes:

Resolution 3

Ms Ko Lee Meng will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and member of the Audit Committee and Remuneration Committee. Detailed information on Ms Ko Lee Meng can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” of the Company’s Annual Report 2022.

Resolution 4

Mr Tan Keh Yan, Peter will, upon re-election as a Director of the Company, remain as Lead Independent Director of the Company, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. Mr Tan Keh Yan, Peter is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Tan Keh Yan, Peter can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” of the Company’s Annual Report 2022.

Resolution 5

Mr Tan Soo Kiang will, upon re-election as a Director of the Company, remain as an Independent Director of the Company and member of the Audit Committee, Nominating Committee and Remuneration Committee. Mr Tan Soo Kiang is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Tan Soo Kiang can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” of the Company’s Annual Report 2022.

Resolution 7

The Ordinary Resolution no. 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which fifty per cent (50%) may be issued other than on a pro-rata basis to the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

For determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Resolution 8

The Ordinary Resolution no. 8, if passed, will empower the Directors of the Company, to issue from time to time such number of new Shares and/or transfer from time to time such number of treasury shares as may be required to be delivered pursuant to the vesting of such awards, provided that the total number of new shares which may be issued and/or treasury shares which may be transferred pursuant to awards granted under the Maxi-Cash Performance Share Plan 2022 on any date, when aggregated with the total number of new shares issued and to be issued and/or treasury shares transferred and to be transferred in respect of all awards granted under the Maxi-Cash Performance Share Plan 2022, and all options and awards granted under any other share option scheme, performance share plan or share incentive scheme implemented by the Company and for the time being in force, shall not exceed 15% of the total number of shares in the issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date.

Resolution 9

The Ordinary Resolution no. 9, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme. Please refer to the Company's announcement dated 9 March 2016 for details on the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme.

Resolution 10

The Ordinary Resolution no. 10, if passed, will empower the Directors of the Company, from the date of the Annual General Meeting of the Company until the date the next Annual General Meeting of the Company is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in Annex A of the Appendix.

Notes:

- (1) A member of the Company (other than a Relevant Intermediary as defined in Note 2 below) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his or her stead. A proxy need not be a member of the Company and where a member appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
- (2) A member of the Company who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his or her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company and where a member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant Intermediary" means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore ("**SFA**") and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

- (3) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (4) The signed instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a certified copy thereof, must be:
 - (a) lodged at registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896; or
 - (b) submitted by email to aspiallifestyleAGM@aspiallifestyle.com,

in either case, by no later than 10.00 a.m. on 25 April 2023, being 72 hours before the time appointed for holding this AGM, failing which the Company shall be entitled to regard the instrument appointing a proxy as invalid.

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

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

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

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

- (5) Members may submit questions ahead of the AGM or raise questions at the AGM. For members who would like to submit questions ahead of the AGM, they may do so by 10.00 a.m. on 20 April 2023:
 - (a) by post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896; or
 - (b) by email to aspiallifestyleAGM@aspiallifestyle.com.

Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to answer all substantial and relevant questions received by 10.00 a.m. on 20 April 2023 by publishing the Company's responses to such questions on the SGXNet at <https://www.sgx.com/securities/company-announcements> by 23 April 2023, being at least forty-eight (48) hours before the closing date and time for the lodgement of proxy form. The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the 20 April 2023 submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The minutes of the AGM will be published on the SGXNet within one (1) month after the date of the AGM.

- (6) Printed copies of the Notice of AGM and the accompanying proxy form will NOT be sent to members. All documents relating to the business of the AGM including the Notice of AGM and the accompanying proxy form will be published on SGXNet and the Company's website at the URL: <https://www.aspiallifestyle.com/investor-relations/>.

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

The contact person for the Sponsor is Mr David Yeong, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By attending the AGM of the Company and/or any adjournment thereof or submitting an instrument appointing a proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the preparation and compilation of the minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"). The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

ASPIAL LIFESTYLE LIMITED

(formerly known as Maxi-Cash Financial Services Corporation Ltd)
(Incorporated in the Republic of Singapore)
(Company Registration number: 200806968Z)

PROXY FORM – ANNUAL GENERAL MEETING

I/We*, _____ NRIC/ Passport / Co. Reg. No*. _____

of _____ (Address)

being a member/members* of ASPIAL LIFESTYLE LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or*

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing him/her*, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 55 Ubi Avenue 3, Level 1 Singapore 408864 on Friday, 28 April 2023 at 10.00 a.m., and at any adjournment thereof.

I /We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* (except where the Chairman of the AGM is appointed as *my/our proxy) will vote or abstain from voting at his/their* discretion, as he/they* will on any other matters arising at the AGM. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

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

*Delete as appropriate.

No.	Ordinary Resolutions	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2022 and the Directors' Statement and the Auditors' Report thereon.			
2.	To approve the payment of Directors' fees of S\$298,000 for the financial year ended 31 December 2022.			
3.	To re-elect Ms Ko Lee Meng, a Director retiring by rotation pursuant to Regulation 89 of the Company's Constitution.			
4.	To re-elect Mr Tan Keh Yan, Peter, a Director retiring by rotation pursuant to Regulation 89 of the Company's Constitution.			
5.	To re-elect Mr Tan Soo Kiang, a Director retiring by rotation pursuant to Regulation 89 of the Company's Constitution.			
6.	To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
7.	To grant the Directors the authority to issue shares.			
8.	To grant the Directors the authority to issue shares under the Maxi-Cash Performance Share Plan 2022.			
9.	To grant the Directors the authority to issue shares under the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme.			
10.	To approve the proposed renewal of the Share Purchase Mandate.			

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

Dated this _____ day of _____ 2023.

Total number of shares Held	
CDP Register	
Member's Register	
TOTAL	

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

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



Notes:

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

"Relevant Intermediary" means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore ("SFA") and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. The signed instrument appointing a proxy shall be submitted by email to aspiallifestyleAGM@aspiallifestyle.com OR registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896, in either case, by no later than 10.00 a.m. on 25 April 2023, being 72 hours before the time appointed for holding the AGM of the Company, failing which the Company shall be entitled to regard the instrument appointing a proxy as invalid.
 5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or signed its attorney or a duly authorised officer of the corporation.
 6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 7. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM of the Company, in accordance with Section 179 of the Companies Act 1967 of Singapore.
 8. The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy (such as in the case where the appointor submits more than one (1) instrument of proxy). In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the SFA, the Company may reject any instrument appointing a proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By attending the AGM of the Company and/or any adjournment thereof or submitting an instrument appointing a proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the preparation and compilation of the minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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