

## NEWS RELEASE

### **Aspial stays on the path of deleveraging with upcoming redemption of 2018 Notes in November 2018**

- *Total of S\$9.25 million in 2018 Notes to be tendered for cash, with outstanding S\$61.00 million to be settled at maturity in November 2018*
- *Company upsized quantum in repurchase of 2019 Notes from S\$10.00 million to S\$15.00 million*
- *Total of S\$29.25 million to be received from 2018 and 2019 Notes holders in exchange for 2021 Notes, demonstrating confidence in remaining invested*
- *Completion of Group's CityGate development project in 4Q 2018 enables Aspial to further reduce debt profile*

**Singapore, 8 October 2018** – Aspial Corporation Limited (“Aspial” or the “Company”), an investment holding company with four core businesses, namely real estate, jewellery, financial service and other investments (including hospitality), announced that it has been validly offered to purchase S\$9.25 million and S\$51.00 million in aggregate principal amount in the 2018 Notes and 2019 Notes, respectively.

In connection with the 2018 Notes, the outstanding aggregate principal amount of S\$61.00 million will be redeemed by the Company at maturity. The Company will set aside funds to redeem the outstanding amount of the 2018 Notes on 27 November 2018. Additionally, the Company has exercised its discretion to increase its maximum acceptance amount from S\$10.00 million to S\$15.00 million for its 2019 Notes to be repurchased.

Collectively, this series of repurchase of the 2018 Notes and 2019 Notes reaffirms the Company's continued commitment to reduce debt and negative carry.

“We have consistently made dedicated efforts to improve our debt profile by paying off our shorter-term debt and our latest round of repurchase of our Notes reaffirms this objective. The Company was poised to fully repurchase its 2018 Notes ahead of maturity, however the majority of the 2018 Notes holders preferred to wait till maturity, displaying the confidence that investors have in us to redeem the Notes as they are due,” said Mr Koh Wee Seng, Chief Executive Officer, Aspial.

In conjunction with the latest round of redemptions, Aspial has also received valid offers for S\$3.75 million in aggregate principal amount of the 2018 Notes and S\$25.50 million in aggregate principal amount of the 2019 Notes, respectively – totaling S\$29.25 million – to be exchanged for the 2021 Notes to be issued by the Company. This demonstrates confidence among noteholders in remaining invested with Aspial.

In view of strong interest and demand from controlling shareholders, business associates and other investors, Aspial intends to issue another S\$20.75 million in aggregate principal amount of the 2021 Notes, thereby rounding-off the total to S\$50.00 million in the 2021 Notes, which is widely seen to be a typical minimum size for the issuance of corporate bonds. The 2021 Notes will be issued at an issue price of 100 per cent of their principal amount and in denominations of S\$250,000 each.

Proceeds from the 2021 Notes are intended to be used for, among others, general corporate funding requirements, working capital and investments for the next three years.

“While the Company closely monitors its shorter-term debt, we are also mindful for Aspial to remain well-capitalised for the next few years. The issuance of the 2021 Notes provides us with financial flexibility that will enable us to be agile in capitalising on business opportunities as they present themselves. Following the tender, exchange and the new issues, there is still an immediate net reduction of S\$3.50 million of our outstanding bonds, with a further reduction of S\$61.00 million in November 2018 when the 2018 notes are redeemed at maturity,” added Mr Koh.

Additionally, Aspial's CityGate, a mixed development project along Beach Road, is expected to be completed in 4Q 2018. The proceeds from the completion of Citygate are also expected to be utilised to improve the Company's debt and gearing profile.

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