ASPIAL CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Registration Number: 197001030G)

THE PROPOSED DISPOSAL OF 240 MARGARET STREET, BRISBANE, QUEENSLAND 4000, BY WCL (QLD) MARGARET ST PTY LTD

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Aspial Corporation Limited (the "**Company**", and together with its subsidiaries and associated companies, the "**Group**") wishes to announce that WCL (Qld) Margaret St Pty Ltd (the "**Seller**"), a subsidiary of the Company has, on 21 February 2023 entered into a put and call option agreement (the "**Put and Call Option Agreement**") with Kyanite 240 Margaret Landowner Pty Ltd, as trustee for Kyanite 240 Margaret Landowning Trust (the "**Purchaser**"), in relation to the proposed sale (the "**Proposed Sale**") of 240 Margaret Street, Brisbane, Queensland 4000 (the "**Property**").

2. PROPOSED DISPOSAL

2.1 **Description of the Property**. The Company indirectly holds 65% of the equity interest in the Seller. The Seller is incorporated in Australia and is the sole legal and beneficial owner of the Property, details of which are provided below:

Address	240 Margaret Street, Brisbane, Queensland 4000(1)
Description	Lot 2 on RP182958
Title Reference	16453055
Area	1715 m^2
Land sold as	Freehold
Local Government	Brisbane City Council

Note:

(1) For the avoidance of doubt, the Property includes any transferable site area that may have been attributed to Lot 2 on RP 182958 by Brisbane City Council, up to a maximum of 217 m^2.

The Property was acquired by the Seller and held for the purposes of redevelopment.

2.2 **Principal Terms of the Proposed Disposal**

2.2.1 **Purchase Price and Security Deposit.** Pursuant to the agreed form of the contract for the sale and purchase of the Property annexed as Annexure A to the Put and Call Option Agreement (the "**Contract**"), the consideration payable by the Purchaser to the Seller for the Property is AUD$32,000,000 (the "**Purchase Price**"), with a deposit of AUD$3,200,000 (being 10 per cent. of the Purchase Price and the "**Security Deposit**") payable on the date of the Contract. On exercise of the Put Option or the Call Option, the Security Deposit shall be treated as forming the deposit payable under the Contract.

2.2.2 Put and Call Option Agreement.

(i) **Grant of Put Option**. In consideration for payment of AUD$1, being the put option fee, the Purchaser shall grant the Seller an option to sell the Property to the Purchaser on the terms of the Put and Call Option Agreement (the "**Put Option**"). The Put Option can only be exercised by the Seller during the period commencing on 30 June 2023 and expiring at 5.00pm on 14 July 2023 (the "**Put Option Exercise Period**"). In the event that the Put Option is exercised by the Seller, the Contract is dated on the date the Purchaser receives, among others, the notice of exercise of Put Option and the Contract signed by the Seller.

(ii) **Grant of Call Option**. In consideration for payment of AUD$1, being the call option fee, the Seller shall grant the Purchaser an option to buy the Property on the terms of the Put and Call Option Agreement (the "**Call Option**"). The Call Option can only be exercised by the Purchaser during the period commencing on 15 June 2023 and expiring at 5.00pm on 29 June 2023 (the "**Call Option Exercise Period**"). In the event that the Call Option is exercised by the Purchaser, the Contract is dated on the date the Seller receives, among others, the notice of exercise of Call Option.

(iii) **Nomination**. Pursuant to the Put and Call Option Agreement, the Purchaser may nominate a nominee to acquire the Property on the terms of the Contract (the "**Nomination**"). An advance request for the Nomination shall be provided to the Seller at least 20 Business Days before exercise of the Call Option and the Seller shall only consent to the Nomination provided it is satisfied, among others, that the nominee is financially solvent, of good repute and financial standing and able to complete the Contract.

2.2.3 Condition Precedent. Pursuant to the Put and Call Option Agreement, completion of the Proposed Disposal ("**Completion**") is subject to and conditional upon (1) the Purchaser receiving notification from the Australian Treasurer or his or her delegate to the effect that there is no objection under the Australian government's foreign investment policy to the acquisition of the Property by the Purchaser (the "**Foreign Investment Approval**") and (2) any conditions of the Foreign Investment Approval being acceptable to the Purchaser in its absolute discretion.

2.2.4 Completion. Completion shall take place 10 Business Days after the date that the Contract is entered into upon the exercise of the Put Option or the Call Option (as the case may be). On Completion, the balance Purchase Price, being the Purchase Price less the deposit payable under the Contract, is payable by the Purchaser to the Seller by way of bank cheque.

2.3 Pricing Factors. The Purchase Price was arrived at based on arm's length negotiations between the Purchaser and the Seller, and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the book value, the prevailing market conditions and the latest available open market valuation dated 17 March 2021 commissioned by the Seller.

2.4 Deficit in Sale Proceeds and Use of Proceeds. The net proceeds from the Purchase Price (after deducting for expected expenses incurred in connection with the sale) represents (i) a deficit of approximately S$8,686,000 over the book value of the Property as at 30 June 2022 and (ii) a loss on disposal to the Group of S$8,686,000. The Seller intends to utilise the proceeds of the Proposed Disposal towards repayment of the existing loans on the Property and for general working capital purposes.

2.5 Book Value, NTA and Latest Available Valuation.

2.5.1 The book value of the Property as derived from the published financial statements of the Group dated 30 June 2022 is S$39,054,000.

2.5.2 The net tangible asset value of the Property as derived from the published financial statements of the Group dated 30 June 2022 is S$29,054,000.

2.5.3 The latest available open market value of the Property based on the valuation commissioned by the Seller on an "as is where is" basis dated 17 March 2021 is AUD$22,500,000.

2.5.4 As the Property has been held for redevelopment, no profit is attributable to the Property since its acquisition.

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal is beneficial to the Group because it will reduce holding costs and the proceeds of the Proposed Disposal can be utilised to repay external loans, thereby reducing the overall leverage of the Group.

4. PROPOSED DISPOSAL IN THE ORDINARY COURSE OF BUSINESS

The Company considers the sale of the Property to be in the ordinary course as it is a sale of a property held for development stock. However, for completeness, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Rules based on the unaudited consolidated financial statements of the Group dated 30 June 2022 (the "**June 2022 Financial Statements**") are as follows:

Rule 1006	Bases	Proposed Disposal (S$)	The Group / Company (S$)	Relative Figures (%)
(a)	Net asset value of the Property to be disposed of, compared with the Group's net asset value	29,054,000[(1)]	425,231,000[(2)]	6.8%
(b)	Net loss attributable to the Property to be disposed of, compared with the Group's net profits	(523,000)[(3)]	7,529,000[(4)]	Not meaningful
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation, based on the total number of issued shares (excluding treasury shares)	29,008,000[(5)]	173,062,316[(6)]	16.8

Notes:

(1) The net asset value of the Property as derived from the June 2022 Financial Statements.

(2) This figure refers to the Group's net asset value as derived from the June 2022 Financial Statements.

(3) There is a net loss attributable to the Property due to holding costs in relation to the Property.

(4) This figure refers to the Group's net profits as derived from the June 2022 Financial Statements.

(5) This figure is determined using an exchange rate of 0.9065 SGD:1 AUD, such exchange rate being the latest exchange rate as of 27 February 2023 made available on the website of the Monetary Authority of Singapore before this Announcement, such that AUD$32,000,000 x 0.9065 = S$29,008,000.

(6) The Company's market capitalisation is based upon 2,163,278,945 shares in the issued share capital of the Company (excluding treasury shares and subsidiary holdings) (the "**Shares**") as at 20 February 2023, at a volume weighted average price of S$0.08 per Share on 20 February 2023, being the last market day on which the Shares were traded preceding the date of the Put and Call Option Agreement.

5. PRO FORMA FINANCIAL EFFECTS IN RESPECT OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the (i) net tangible assets of the Group per Share ("**NTA**") and (ii) earnings of the Group per Share ("**EPS**") are set out below.

(i) **Bases and Assumptions**. The pro forma financial effects for the Proposed Disposal have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("**FY2022 Financial Statements**"), being the most recently completed financial year for which financial statements are publicly available as at the date of this Announcement. Such financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Group following the Proposed Disposal.

(ii) **The Group's NTA per Share**. For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2022, the pro forma financial effects on the consolidated Group's NTA per Share for FY2022 are set out below. As the auditors have advised that an impairment loss is required to be taken in the FY2022 Financial Statements in relation to the Proposed Disposal, there is no change to the consolidated Group's NTA per Share as a result of the Proposed Disposal.

	Before the Proposed Disposal	**After the Proposed Disposal**
Net Assets attributable to equity holder of the Company (S$)	**312,277,000**	**312,277,000**
Less: Intangibles and Net Deferred Tax Assets (S$)	**19,562,000**	**19,562,000**
Group NTA attributable to equity holder of the Company (S$)	**331,839,000**	**331,839,000**
Number of Shares	**2,163,437,645**	**2,163,437,645**
Group NTA per Share (in cents)	**15.34**	**15.34**

(iii) **EPS**. For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2022, being the beginning of FY2022, the pro forma financial effects on the consolidated EPS for FY2022 are as follows. As the auditors have advised that an impairment loss is required to be taken in the FY2022 Financial Statements in relation to the Proposed Disposal, there is no change to the consolidated Group's EPS per Share as a result of the Proposed Disposal.

	Before the Proposed Disposal	**After the Proposed Disposal**
Loss after tax and non-controlling interests (S$)	**(14,710,000)**	**(14,710,000)**
Weighted average number of Shares	**2,165,712,018**	**2,165,712,018**
EPS (in cents)	**(0.68)**	**(0.68)**

6. FURTHER INFORMATION

6.1 Directors' Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6.2 Interests of Directors and Substantial Shareholders. As at the date of this Announcement, save for their interests (deemed or direct) in the Company, none of the directors of the Company or the Substantial Shareholders (as defined in the Companies Act 1967 of Singapore) has any interest, direct or indirect, in the Proposed Disposal.

6.3 Documents Available for Inspection. Copies of the Put and Call Option Agreement are available for inspection during normal business hours at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD
ASPIAL CORPROATION LIMITED

Lim Swee Ann
Company Secretary

27 February 2023