



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

**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE REGULATION
IN RESPECT OF THE COMPANY'S ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The board of directors (the “**Board**”) of Aspial Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries raised by Singapore Exchange regulation (“**SGX RegCo**”) in its email on 22 April 2024 in respect of the Company’s Annual Report for the financial year ended 31 December 2023.

The Company wishes to provide the following information in response to such queries:

SGX RegCo Queries:

1. Listing Rule 715(2) states that an issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.

It is disclosed on page 30 that, the Company has complied with Rules 712 and 715 (read with Rule 716) of the Listing Manual of the SGX-ST in appointing the audit firms for the Group.

Please disclose the Audit Committee’s and Board’s assessment in determining the suitability of the audit firm appointed in respect of its significant foreign-incorporated subsidiaries and associated companies.

Company’s response:

*As disclosed in pages 91 to 97 of the Annual Report 2023, the significant foreign-incorporated subsidiaries of the Group are either audited by the member firm of Ernst & Young Global, Baker Tilly Monteiro Heng, Malaysia, The Field Group, Melbourne and Tam, Hui, Tse & Ho CPA Limited, Hong Kong respectively based on the jurisdiction of the respective foreign-incorporated subsidiaries. The said audit firms are reputable local audit firms in their respective countries and capable of performing the local statutory financial audit individually to comply with local statutory jurisdiction and accounting standards requirement. All the local auditors are qualified local Chartered Accountants with local accreditations. Furthermore, the Company’s auditor Ernst & Young LLP (“**E&Y**”) has during their year-end audit, confirmed to the Audit Committee and the Board that E&Y have no issue in working with the foreign subsidiaries’ auditors in obtaining their audit field work and related information/documents, in their preparation of the Company’s consolidated financial statements.*

*Based on the above assessment, the Audit Committee and the Board opined the foreign audit firms appointed are suitable as the auditors of the significant-incorporated subsidiary, and the appointment of said foreign audit firms does not compromise the standard and effectiveness of the audit of the Company. The Company complies with Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”).*

2. Please compute the percentage of interested person transactions disclosed on page 34 and 35 of the annual report as compared against the group's latest audited net tangible assets and clarify whether and how chapter 9 requirements, including Listing Rules 905 and 906, have been met.

Company's response:

The Group's net tangible assets as at 31 December 2022 ("**Group NTA**") is approximately S\$415,928,000. The total value of the interested person transactions ("**IPTs**") disclosed on page 34 and 35 is approximately \$221,227,000, representing approximately 53.19 per cent. of the Group NTA.

Rule 905

In respect of Rule 905, the Group is required to make an immediate announcement of any IPT with a value of 3% or more of the Group NTA or if the aggregate value of the transactions with the same interested person amounts to 3% or more of the Group NTA, the Group must make an immediate announcement of the latest IPT and all future transactions with the same group of interested persons in FY2023.

For FY 2023, the Group has made a public announcement of the following transactions which has a value of 3% or more of Group NTA either singly or when aggregated with the value of the transactions with the same interested persons in FY2023:

Name of Interested Person(s)	Details of Transaction	Date of first Announcement
Aspial Lifestyle Limited and its subsidiaries (" ALL Group ")	Corporate charges to World Class Global Pte. Ltd. (" WCG "), Niessing Asia Pacific Pte. Ltd. and AF Global Limited and its subsidiaries (" AFG Group ")	29 September 2023 and 9 November 2023
AFG Group	Corporate charges from the Company	29 September 2023 and 9 November 2023
WCL (QLD) Margaret St Pty. Ltd. (" WCL Margaret ")	Provision of an interest charged for the loan from WCL Margaret	29 September 2023
Mr Koh Wee Seng, his spouse and child	Exchange offer from Series 007 Notes, Series 008 Notes and Series 009 Notes (" Existing Notes ") to Perpetual Securities (" Exchange Offer Exercise ")	29 September 2023 and 9 November 2023
Ms Koh Lee Hwee		
Ms Ko Lee Meng and her child		
Madam Tan Su Lan		
Mr Koh Wee Meng		
MLHS Holdings Pte. Ltd.		
Ms Koh Lee Hwee, her spouse and children		
DN Global Pte. Ltd.		
AFG Group		
Ms Ko Lee Meng		
ALL Group	Sale and purchase of jewellery	29 September 2023, 9 November 2023 and 21 December 2023

Name of Interested Person(s)	Details of Transaction	Date of first Announcement
<i>AL Capital (Ubi) Pte. Ltd.</i>	<i>Lease of premises to WCG and AFG Group</i>	<i>29 September 2023 and 9 November 2023</i>
<i>Kensington Village Pte. Ltd. ("KV")</i>	<i>Provision of an interest free loan to a joint venture ("JV Loan") on a proportionate basis. KV is a 40:60 joint venture between World Class Land Pte. Ltd. ("WCL") (a subsidiary of the Company) and Fragrance Group Limited (the "Joint Venture")</i>	<i>29 September 2023 and 21 December 2023</i>
<i>Ms Koh Lee Hwee and her spouse</i>	<i>Cancellation of the sale and purchase agreement for the purchase of property unit of Australia 108 by the Purchaser</i>	<i>29 September 2023</i>
<i>Bayfront Ventures Pte. Ltd. ("BFV")</i>	<i>BFV, a 50:50 joint operation between WCL and Fragrance Group Limited, has entered into a loan agreement with a financial institution (the "Bank Loan") where a corporate guarantee is required from the shareholders (the "Corporate Guarantee") on a proportionate basis</i>	<i>Disclosed in the Annual Report</i>

Rule 906

Unless otherwise exempted, the Group is required to obtain shareholder approval for any IPT (excluding IPTs below \$100,000) with a value of 5% or more of the Group NTA either alone or when aggregated with other transactions in the FY2023 with the same interested persons, save that any transaction which is already approved need not be included in subsequent aggregation.

In respect of the IPTs disclosed on pages 34 and 35 which either exceed 5% of Group NTA alone or on an aggregated:

- a. The Group is exempted from the requirement to obtain shareholders' approval pursuant to Rule 906(1)(b) of the Listing Manual for the JV Loan to KV and Corporate Guarantee as they fall within the exemption under Rule 916(3) of the Listing Manual. The JV Loan and Corporate Guarantee are provided by the Group to KV and BFV in proportion to its shareholdings in KV and BFV and on the same terms applicable to all joint venture partners of KV and BFV.*
- b. The Group has obtained the approval of shareholders for the Exchange Offer Exercise in accordance with Rule 906(1)(a) of the Listing Manual at an extraordinary general meeting of the Company held on 16 October 2023.*

The aggregate value of the IPTs (excluding transactions which are less than S\$100,000 and the 2 transactions above) entered into between the Group and the same interested persons for FY2023 is approximately S\$6,903,000, representing approximately 1.66 per cent. of the Group NTA. As this does not exceed 5 per cent. of the Group NTA, the Company is not required to seek shareholders' approval for these remaining IPTs.

3. It is disclosed on page 19 of the annual report that, in respect of the overall diversity target, the NC and the Board are of the view that the target has already been achieved.

Please elaborate further in relation to the Company's targets pursuant to Listing Rule 710A(2) and how these targets have been achieved.

Company's response:

The Company has adopted a formal Board Diversity Policy setting out its policy, framework and measurable objectives for promoting diversity on the Board. The Nominating Committee ("NC") is responsible for administering and reviewing the Board Diversity Policy to ensure its effectiveness and practicality. Where appropriate, the NC will report to the Board on the progress made towards achieving board diversity on an annual basis and conduct periodic reviews of the Board Diversity Policy. The NC reviews the Board's collective skills matrix during the annual assessment of the effectiveness of the Board, as well as the independent element, listed company representations and other principal commitments held by each director, scope and nature of operations as well as business requirements of the Group, succession plan for directors, progressive refreshing of the Board and Board Committees.

In respect of the overall diversity target, the NC and the Board are of the view that the target has already been achieved. The present 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.

There is efficient and effective discussion and decision making with meaningful individual participation by each director with diverse professional expertise.

The current Board comprises Directors who as a group provide core competencies and provides diversity of expertise and knowledge in areas such as banking, accounting, finance, and real estate. The board consist of directors with skill sets in accounting and financial management, banking industry, business development, business entrepreneurship, jewellery industry, product development and strategic planning, that are necessary and critical to meet the Group's objectives. In line with the Board Diversity Policy, the Board has met its objectives in ensuring a diverse of skills and experience given that the existing Board members comprise of Directors with a mix of expertise and knowledge and diverse background.

The Company has also met its objectives in ensuring a diversity of age and gender on the Board as the current Board comprises of three (3) female Directors and three (3) male Directors with an age group ranging from 50s to 70s.

As part of our commitment to promoting diversity on the Board, the NC will continue to review the Board Diversity Policy, to seek qualified individuals from a wide range of backgrounds. In selecting new directors, we prioritise merit and objective criteria, while also giving due consideration to the benefits of having a diverse Board including gender diversity. Our ultimate goal is to cultivate a Board with a wide range of perspectives and experiences that contribute to our success as a Company and steer the Company forward. Any further progress made towards the implementation of the policy will be disclosed in further annual reports.

Our NC has assessed the current level of diversity on the Board to be satisfactory and given the current size of the Board and the nature of the business at present. The Board does not propose to set specific diversity targets or concrete timelines for achieving on-going board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops.

The Company believes that the intent of the Listing Rule 710A(2) has been met in the Company's Annual Report 2023, and endeavours to remain in compliant going forward.

By Order of the Board

Lim Swee Ann
Company Secretary
24 April 2024