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

RESPONSES TO QUERIES FROM SHAREHOLDERS IN RESPECT OF THE COMPANY'S ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 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 shareholders of the Company in relation to the Company's Annual General Meeting to be held on 28 April 2023 at 3.00 p.m.

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

Question 1

Page 6 – Real Estate Business

"The increase in pre-tax loss was mainly due to the higher foreign exchange loss as well as the impairment loss from the S$8.3 million write down..." Are these non-cash items? i.e. paper loss through FX translation and fair value impairment?

Company's response to Query 1:

The impairment loss is a non-cash item and the foreign exchange loss is a mix of cash and non-cash items.

Question 2

Page 4, 94 to 97: Other Investment - AF Global Limited.

This is an associate where we held 42% 'AF Global Limited, which operates hotels, resorts, and serviced residences in Thailand, Vietnam, and Laos." In Page 97 - there is a divestment of non-current assets in China? Does AF Global Limited operate out of China? Which part of China? Is the litigation completed now? Is AF Global Limited still a joint venture/associate partner after the above? Any change in the JV operations after the divestment of assets?

Company's response to Query 2:

*AF Global Limited ("**AFG**") holds an equity interest in a joint venture ("**JV**") company which is involved in real estate business in Xuzhou, China.*

In 2020, AFG entered into a mediation agreement and an equity transfer framework agreement with the joint venture partner to divest the investment in the JV company.

The divestment did not take place and the litigation is due to legal action taken by AFG to enforce its legal rights in line with the abovementioned agreements.

As of the date of this announcement, the litigation is still ongoing. AFG will provide the necessary update as and when there is any major development.

Question 3

Page 107 - Derivatives

Are these part of the hedging instruments against the Currencies exposures - AUD, RM, etc? Is there a hedging profit or loss for the year?

Company's response to Query 3:

The foreign exchange derivatives are hedges against the currency exposures to Australia dollar, United States Dollar and Euro. Please refer to page 74, Note 7 - Other Income. The net fair value gain on the derivatives was $2.27 million for FY2022.

Question 4

Page 110 - Interest on Borrowings

What is the effective interest rate for the ST Borrowing and LT Borrowing? Are we comfortable with the current Leverage ratio in view of rising interest rates?

Company's response to Query 4:

Please refer to pages 110 & 111, Note 25 - Interest-bearing Loans and Borrowings for the Group's applicable interest rates.

In general, the Group finances its businesses through a mix of equity and debt. The Group is of the view that the current level of equity and debt financing is in line with its business requirements.

Question 5

Page 129 - Geographic segment

For Europe - this would be mainly assets in Germany? For Greater China - the assets in which parts of China? Beijing? Shanghai? HK SAR? For Malaysia and Australia - the assets are mainly development properties?

Company's response to Query 5:

For Europe, our assets are mainly in Germany and for Greater China, our assets are mainly in Hong Kong and China. In Australia and Malaysia, the Group has various assets including development and investment properties.

Question 6

Page 126, from the segment profit and loss, Real estate business is the only loss making business for 2 consecutive years and the losses being absorbed by the other business segments. What do the Board intend to do to address this loss making segment? When are the property markets (especially Australia) expected to recover?

Company's response to Query 6:

The Group's overseas real estate business for FY2021 & FY2022 were affected by the COVID-19 pandemic. The lower revenue was mainly due to the low sales and settlement of Australia 108 development and higher operating expenses which contributed to the losses in the two years.

With the complete opening of Australia borders in 2023, the Group is cautiously optimistic that the demand for the remaining units in our Australia 108 development will improve in 2023. In Singapore, the Group will also maintain its efforts to market the commercial units for both rent and sale.

Question 7

Page 2 - Is the re-organising of business segments finalised now? Dividend - Will dividend be dependent on real estate business performance going forward? If the losses are merely non-cash fair value impairment, then it is not fair to forgo dividend for shareholders this year.

Company's response to Query 7:

The Group has successfully consolidated its Singapore retail business in FY2022. For the year ahead, the Group will explore new business opportunities, optimise its resources and enhance the effectiveness and efficiency of its existing operations. This will include the transformation and consolidation of its businesses to achieve better outcomes and position itself for sustainable growth and long-term success.

In light of the ongoing economic uncertainties, the Group has not declared a dividend for FY2022 in order to retain cash to be used for working capital, reducing borrowings and fund potential growth opportunities to deliver greater value in the long term.

By Order of the Board

Lim Swee Ann
Company Secretary
23 April 2023