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 2022

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 26 April 2023 in respect of the Company's Annual Report for the financial year ended 31 December 2022.

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

SGX RegCo Queries:

1. Please provide explanations for the following material variances between the unaudited and audited financial statements for the financial year ended 31 December 2022:

   (A) Net cash flows generated from/(used in) operating activities from $20,212,000 to $22,302,000.

   (B) Net cash flows generated from/(used in) financing activities from $(9,217,000) to $(11,307,000).

   Company's response:

   Below is the explanation for the variances between audited and unaudited Consolidated Statement of Cash Flows for the financial year ended 31 December 2022.

	Unaudited $'000	Audited $'000	Variance $'000
Operating activities Net cash flows generated from/(used in) operating activities	**20,212**	**22,302**	**2,090**
Financing activities Net cash flows (used in)/generated from financing activities	**(9,217)**	**(11,307)**	**(2,090)**

The variances in (A) and (B) of $2,090,000 relates to the reclassification of interest expense on lease liabilities from operating activities to financing activities to better reflect the nature of the interest expense.

Listing Rule 704(6) provides that an issuer must immediately announce if it has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

Please also clarify whether and how Listing Rule 704(6) has been complied with.

Company's response:

The Company is of the view that the reclassification is not deemed to be a material adjustment as the same amount of net cashflow is reclassified from operating activities to financing activities. Therefore, the Company is in compliance with Listing Rule 704(6).

2. Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:

   (a) the issuer's targets to achieve diversity on its board;
   (b) the issuer's accompanying plans and timelines for achieving the targets;
   (c) the issuer's progress towards achieving the targets within the timelines; and
   (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

   Please disclose whether and how Listing Rule 710A has been complied with.

   Company's response:

   Please refer to page 17 of the Annual Report 2022.

   The Board has a diversity policy and is of the view that diversity is important to enhance the Board's effectiveness as it provides unique insights and a more effective decision-making. The NC has reviewed 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. The NC is of the view that the current Board has professional expertise and competency in their respective fields in banking, finance, accounting and real estate. The Board also has an equal proportion of male and female directors.

   Accordingly, the NC has not recommended any measurable quantitative objectives in relation to diversity to be adopted at this stage as the current combination of diverse attributes, skills and expertise of Directors continue to complement and enhance the efficacy of the Board as a whole and serve the current and future needs of the Company.

By Order of the Board

Lim Swee Ann
Company Secretary
28 April 2023