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 2020

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 2021 in respect of the Company's Annual Report for the financial year ended 31 December 2020.

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

SGX RegCo Queries:

a) Listing Rule 716 states that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies (referred to in Rule 715(1)) provided that: —

i. the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer; or

ii. the issuer's subsidiary or associated company, is listed on a stock exchange.

Please explain whether and how the Company has complied with Listing Rule 716.

Company's response:

The Board and Audit Committee of the Company are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies and joint ventures does not compromise the standard and effectiveness of the audit of the Group. Hence, the Company confirms that it has complied with Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Please refer to below for the list of subsidiaries and significant associated companies and joint ventures audited by different auditing firms:

No.	***Company Name***	***Ownership***	***Auditing Firm***
1	*Niessing Manufaktur GmbH & Co. KG*	*Subsidiary*	*Reviscon GmbH*
2	*Niessing (Hong Kong) Limited*	*Subsidiary*	*Tam, Hui, Tse & Ho CPA Limited, Hong Kong*
3	*Niessing (Australia) Pty. Ltd.*	*Subsidiary*	*The Field Group, Melbourne*
4	*World Class Developments Pte. Ltd.*	*Subsidiary*	*MAP-CA PAC (Previously CG Alliance, Singapore)*
5	*Kensington Land Pte. Ltd.*	*Associate*	*Deloitte & Touche LLP*
6	*Kensington Village Pte. Ltd.*	*Associate*	*Deloitte & Touche LLP*
7	*Niessing Schmuck-Kooperation GmbH & Co. KG*	*Associate*	*Reuter Thoben*

b) Provision 2.2 of the Code of corporate governance 2018 (the "**Code**") states that, "Independent directors make up a majority of the Board where the Chairman is not independent".

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.2 of the Code as independent directors do not make up a majority of the Board where the Chairman is not independent. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Company's response:

The Board comprises six (6) Directors of whom two (2) are Executive Directors, one (1) is Non-Executive and Non-Independent Director and three (3) are Independent Non-Executive Directors. In terms of number, the Non-Executive Directors make up a majority of the Board, thus providing a strong independent element on the Board and there are adequate safeguards and checks in place to ensure that decision making process by the Board is independent.

Although the Independent Non-Executive Directors are not in majority where the Chairman is not independent, the Board is able to exercise objective judgements on corporate affairs independently and challenge key decisions constructively, taking into consideration the long-term interest of the Group and its shareholders. Further, the Company has in place internal guidelines for matters requiring Board's approval. Therefore, no individual or a small group of individuals is in a position to dominate the Board's decision making.

The Board also has a Lead Independent Director to provide leadership in situations including where the Chairman may be conflicted, and representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders and the Chairman and the Board.

The Directors of the Company come from diverse backgrounds and possess core competencies, qualifications and skills, all of whom as a group, provides the Board with a good mix of the necessary experience and expertise to direct and lead the Group. Besides, an equal proportion of male and female directors also provides an appropriate balance of gender diversity of the Board. The Board has also considered the current size, scope, nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees, especially in the current economic climate where cost considerations and agility of the Board in decision-making are critical to the Company.

In light of the foregoing, the Board is of the view that the Board composition has an appropriate level of independence and diversity of thought and background to enable it to make decision in the best interest of the Company. Accordingly, the Board believes that the existing practices adopted by the Company are consistent with the intent of Principle 2 of the Code.

By Order of the Board

Lim Swee Ann
Company Secretary
29 April 2021