

CLARIFICATION ON THE REUTERS ARTICLE “SINGAPORE’S AUNTIES AND UNCLAS TAKE RISKS IN HUNT FOR YIELD”

Aspial Corporation Limited (“**Aspial**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the article “*Singapore’s aunties and uncles take risks in hunt for yield*” published by Reuters on 4 April 2016.

The Company wishes to clarify that the Group’s net debt to EBITDA¹ and interest coverage ratio² are 30.72 times and 1.90 times, respectively, as at 31 December 2015.

The Group wishes to emphasise that both net debt to EBITDA and interest coverage ratios are not among the financial covenants of all outstanding bond issues by Aspial and Aspial Treasury Pte. Ltd. (“**Aspial Treasury**”), in view of the lumpiness in the nature of revenue recognition in the property development sector. This is especially so for development projects overseas, such as in Australia, where the Group can only recognise revenue upon completion.

Aspial’s and Aspial Treasury’s existing financial covenants are generally in line with other property developers who have issued local bonds.

The Company wishes to further clarify that the Group’s balance sheet remains sound, given the Group’s growing property development business and a fast-to-launch strategy for all its development projects instead of a land-banking strategy, and based on the following factors:

¹ EBITDA is calculated by adding finance costs, depreciation and amortisation to the Group’s Profit Before Tax

² Interest Coverage Ratio is calculated by dividing the Group’s EBITDA with finance costs

- The Group's launched property development projects in Singapore and Australia have been largely sold (Please refer to **Appendix A**).
 - Based on the units sold as at 18 February 2016 for its Singapore projects, the Group has locked in about S\$580 million of revenue, which will be progressively recognised in accordance with the stage of construction. With several projects including Urban Vista, Kensington Square, The Hillford and Waterfront@Faber expected to achieve Temporary Occupation Permits ("TOPs") in the next 18 months, the Group's gearing will be reduced following the repayment of bank borrowings and bonds due in 2016 and 2017.
 - In Australia, the Group has locked in more than A\$1.05 billion of sales revenue as at 18 February 2016, with the deposit of 10% of sales price in trust accounts held by the Group's legal firm. Revenue for the Group's Australian projects – Australia 108 and Avant -- will be realised upon completion. The Group expects these two projects to obtain completion by stages from 2018 to 2020, allowing the group to record significant cashflow and further reduce its borrowings and gearing.

4 April 2016

APPENDIX A

Singapore

| Project | Tenure | Type | Total Units | Launch date | Land area (sq m) | Potential gross floor area (sq m) | Units launched | Percentage sold based on units launched (as at 18 March 2016) | Group's interest through its subsidiaries (%) |
|--------------------------------|----------|-------------|-------------|-------------|---------------------|-----------------------------------|----------------|---|---|
| Kensington Square ³ | Freehold | Retail | 57 | 3Q 2013 | 9,643 ⁴ | 14,492 ⁴ | 57 | 58 | 40 |
| Kensington Square ³ | Freehold | Residential | 141 | 3Q 2013 | 9,643 ⁴ | 14,492 ⁴ | 141 | 100 | 40 |
| CityGate ³ | 99 years | Residential | 311 | 3Q 2014 | 7,269 ⁴ | 38,525 ⁴ | 311 | 98 | 50 |
| CityGate ³ | 99 years | Commercial | 188 | 3Q 2014 | 7,269 ⁴ | 38,525 ⁴ | 188 | 57 | 50 |
| Urban Vista ³ | 99 years | Residential | 582 | 1Q 2013 | 13,999 | 42,263 | 582 | 100 | 50 |
| The Hillford | 60 years | Residential | 281 | 1Q 2014 | 10,171 ⁴ | 15,663 ⁴ | 281 | 100 | 100 |
| The Hillford | 60 years | Commercial | 20 | 1Q 2014 | 10,171 ⁴ | 15,663 ⁴ | 20 | 90 | 100 |
| Waterfront @ Faber | 99 years | Residential | 210 | 2Q 2014 | 15,125 | 23,282 | 210 | 94 | 100 |

Overseas

| Project | Tenure | Type | Estimated total residential units | Launch date | Land area (sq m) | Potential gross floor area (sq m) | Units launched | Percentage sold based on units launched (as at 18 March 2016) | Group's interest through its subsidiaries (%) |
|----------------------------|----------|--------------------------|-----------------------------------|------------------|------------------|-----------------------------------|-----------------|---|---|
| Australia 108 (Melbourne) | Freehold | Residential & Commercial | 1,105 | 4Q 2014 | 2,642 | 138,282 | 1,105 | >95 | 100 |
| Avant (Melbourne) | Freehold | Residential & Commercial | 456 | 2Q 2015 | 1,300 | 46,560 | 456 | >90 | 100 |
| Nova (Cairns) | Freehold | Residential & Commercial | 2,100 | TBC ⁵ | 25,884 | 130,000 | NA ⁶ | NA ⁶ | 100 |
| Albert Street (Brisbane) | Freehold | Residential & Commercial | 700 | TBC ⁵ | 2,007 | 62,493 | NA ⁶ | NA ⁶ | 100 |
| Margaret Street (Brisbane) | Freehold | Residential & Commercial | 600 | TBC ⁵ | 1,715 | 67,314 | NA ⁶ | NA ⁶ | 65 |

³ Kensington Square, CityGate and Urban Vista are jointly developed with Fragrance. Kensington Square is 40 per cent-owned, while CityGate and Urban Vista are each 50 per cent-owned, by a subsidiary of the Group

⁴ Residential and commercial areas combined

⁵ "TBC" means to "to be confirmed"

⁶ "NA" means "not applicable"