AP OIL INTERNATIONAL LIMITED
Registration No.: 197502257M
(Incorporated in Singapore)

PROPOSED DISPOSAL OF INTERESTS IN CHONGQING ZONGSHEN FINANCIAL LEASING COMPANY LIMITED

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1. INTRODUCTION

The Board of Directors ("**Board**") of AP Oil International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company intends to dispose of its entire investment of 12.5% equity interest ("**Proposed Disposal**") in Chongqing Zongshen Financial Leasing Company Limited (the "**JV Company**") via a voluntary winding up process ("**Voluntary Winding Up**").

The Proposed Disposal will constitute a major transaction under Chapter 10 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Accordingly, the Proposed Disposal is subject to the approval of the shareholders of the Company ("**Shareholders**") under Rule 1014 of the Listing Manual by way of an ordinary resolution.

The Company had applied to the SGX-ST for a waiver from compliance with Rule 1014(2) of the Listing Manual (the "**Waiver**") in relation to the Proposed Disposal, in lieu of seeking approval of its Shareholders for the Proposed Disposal at an extraordinary general meeting ("**EGM**") to be convened.

On 3 November 2026, the SGX-ST informed the Company (the "**SGX-ST Response**") that it has no objection to the Company's application for a Waiver, subject to the conditions (the "**Waiver Conditions**") set out in paragraph 6 of this announcement ("**Announcement**").

2. INFORMATION ON THE JV COMPANY

The JV Company was incorporated in the People's Republic of China ("**PRC**") in 2016. It is principally engaged in the business of financial leasing, which includes consulting and guarantee of leasing, as well as leasing-related technology development and services in Chongqing, PRC.

As of the date of this Announcement, the JV Company has a registered capital of RMB 200 million and the following shareholding structure:

Shareholder	**Equity interest in the JV Company (% of Total Equity)**
Chongqing Zongshen PowerMachinery Co., Ltd ("**Zongshen**")	70.0%
Chongqing Free Trade Port Area Development & Management Group Co., Ltd ("**Free Trade Port Co**")	5.0%
AP Oil International Limited	12.5%
MoneyMax Financial Services Ltd. ("**MoneyMax**")	12.5%

The other shareholders of the JV Company are independent third parties and are not related to the Company or its directors or controlling shareholders (as defined in the Listing Manual).

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1. **Valuation.** Pursuant to the Voluntary Winding Up, the Company expects to receive cash proceeds from the JV Company via dividend distribution and/or return of capital.

Based on the financial year 2025 audited financial statements of the JV Company dated 30 April 2026, 12.5% of the JV Company's net assets as at 31 December 2025 was RMB 32.70 million (approximately S$6.30 million based on the exchange rate of S$1:RMB5.189 as at 12 November 2026) (the "**Estimated Cash Proceeds**").

3.2. **Cash Recovery.** The total cash recovery from the Voluntary Winding Up is still to be determined based on adjusting the following to the Estimated Cash Proceeds:

(a) professional fees and expenses incurred in connection with the Voluntary Winding Up;

(b) bad debt written off during the Voluntary Winding Up (if any); and

(c) ongoing activities carried out by the JV Company until the liquidation date.

The Company will provide further updates when there are clearer estimates on the total cash recovery from the Voluntary Winding Up.

3.3. **Payment to JV Company's Shareholders.** The total cash recovery is expected to be received in tranches as the Voluntary Winding Up process is carried out, with full recovery anticipated between 9 and 18 months.

The Company will provide further updates when there are clearer estimates on the expected completion of Voluntary Winding Up.

4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

4.1. **Rationale for the Proposed Disposal.** The Company understands that Zongshen, which has a 70% equity interest in the JV Company, intends to voluntarily wind up the JV Company. Based on its 12.5% equity interest in the JV Company, the Company is of the view that it does not have the ability to prevent or influence Zongshen from voluntarily winding up the JV Company.

Use of Proceeds. The net proceeds of the Proposed Disposal, after deducting fees and expenses incurred in connection with the Proposed Disposal, will be used for general corporate purposes of the Company.

5. MAJOR TRANSACTION

The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

BASE OF CALCULATION		RELATIVE FIGURES (%)
(a)	Net asset value ("**NAV**") of the assets to be disposed of[(1)], compared with the Group's NAV[(2)]	10.9%
(b)	Net profits[(3)] attributable to the assets to be disposed of, compared with the Group's net profits[(4)]	18.2%

BASE OF CALCULATION		RELATIVE FIGURES (%)
(c)	Aggregate value of the consideration received[(5)], compared with the Company's market capitalisation[(6)] based on the total number of issued shares excluding treasury shares	30.4%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as this is a disposal transaction
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable as this is not a disposal of mineral, oil or gas assets

Notes:

(1) Computed based on the net asset value of the Group's investment in the JV Company of S$6,358,000 for the six months ended 30 June 2026.

(2) The NAV of the Group based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2026 is approximately S$58,115,000.

(3) The net profit (before income tax and non-controlling interest) attributable to the Group's investment in the JV Company for the purposes of this calculation is approximately S$163,000 for the six months ended 30 June 2026.

(4) The net profit (before income tax and non-controlling interest) of the Group based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2026 is approximately S$898,000.

(5) Consideration is computed based on the Estimated Cash Proceeds, which was estimated at RMB 32.70 million (approximately S$6.30 million based on the exchange rate of S$1:RMB5.189 as at 12 November 2026).

(6) The Company's market capitalisation of approximately S$20.73 million is computed based on 164,529,472 ordinary shares in the capital of the Company in issue (excluding treasury shares) (the "**Shares**") multiplied by the weighted average price of S$0.126 of each Share transacted on 10 November 2026, being the last traded market day immediately preceding this Announcement.

As the relative figures computed based on Rule 1006(c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a "major transaction" for the Company under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of Shareholders at an EGM to be convened, unless the Waiver is granted by the SGX-ST.

6. WAIVER APPLICATION

6.1. **Waiver from Compliance with Rule 1014(2) of the Listing Manual.** Prior to the date of the Announcement, the Company made an application for the Waiver in relation to the Proposed Disposal, in lieu of seeking approval of its Shareholders for the Proposed Disposal at an EGM to be convened.

6.2. **SGX-ST Response.** On 3 November 2026, the SGX-ST informed the Company that it has no objection to the Company's application for the Waiver, subject to the following Waiver Conditions:

(a) The Company announcing the following, including as required under Rule 107 of the Listing Manual:

(i) the Waiver granted;

(ii) the reasons for seeking the Waiver;

(iii) certain matters considered by the SGX-ST as set out in the SGX-ST Response, based on the Company's submissions and representations in the Waiver Application (the "**Exchange's Considerations**");

(iv) the conditions upon which the Waiver is granted; and

(v) whether the Waiver Conditions have been satisfied as at the date of the announcement. If the Waiver Conditions have not been satisfied, the Company must make an announcement as and when the conditions have been satisfied;

(b) Submission of a written confirmation from the Board that the Waiver does not contravene any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation);

(c) Submission of a written confirmation from the Board and the Company announcing that there has been, and will be, no material change in the risk profile of the Company arising from the Proposed Disposal, including the basis for its opinion; and

(d) Submission to the SGX-ST and announcement via SGXNet of written irrevocable undertaking(s) from shareholders who collectively have an interest of more than 50% of the total number of issued shares of the Company that they would vote in favour of the Proposed Disposal, if a general meeting of the Company were to be convened.

(the announcement requirements in paragraphs 6.2(a) and 6.2(c) above, the "**Announcement Conditions**", and the requirements to submit the relevant confirmations and undertakings in paragraphs 6.2(b), 6.2(c) and 6.2(d), the "**Documentary Conditions**").

6.3. **Rule 107 of the Listing Manual.** In accordance with Rule 107 of the Listing Manual, the Waiver Conditions must be satisfied for the Waiver to be effective. Rule 107 of the Listing Manual further provides that where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

7. REASONS FOR WAIVER APPLICATION

The reasons for the Company's Waiver Application are as follows:

7.1. **Majority shareholder of JV Company intends to proceed with the Voluntary Winding Up.** As described in paragraph 4.1 of this Announcement, the Company understands that Zongshen intends to voluntarily wind up the JV Company. Based on its 12.5% equity interest in the JV Company, the Company is of the view that it does not have the ability to prevent or influence Zongshen from voluntarily winding up the JV Company.

7.2. **No material change in risk profile.** The Board is of the opinion that the Proposed Disposal will not result in material change of risk profile of the Group, on the following bases:

(a) The 12.5% equity interest in the JV Company is an investment of the Company. The JV Company's business of financial leasing is not a principal business of the Company. Following the Proposed Disposal, the Company will continue to operate its existing core businesses and there will be no change to the principal business activities of the Company;

(b) The Proposed Disposal does not involve the Company entering into any new business segment, industry or geographical market and, accordingly, will not expose the Company to any material new operational, business or regulatory risks; and

(c) The financial contribution of the Company's investment over the past three financial years in terms of revenue, profit and net assets has been insignificant. In particular, the percentage of the Group's profit (after tax) contributed by its investment in the JV Company amounted to a maximum of 5.7% in the past three financial years.

7.3. **Non-core Asset.** In paragraph 7.3(b) of Practice Note 10.1 of the Listing Manual, the SGX-ST may grant a waiver of Rule 1014(2) of the Listing Manual if a proposed disposal involves a non-core asset meeting the criteria set out therein.

The JV Company is principally engaged in the business of financial leasing, which does not have a direct relationship with the Group's core operations. The Group's investment is also regarded as a non-core asset, as its book value of S$5.46 million as of 30 June 2026 represents 7.9% of the Group's total assets of S$69.14 million as of 30 June 2026. There is thus no strategic impact by the Proposed Disposal given the small contribution of the investment to the Group's business.

Accordingly, the 12.5% equity interest in the JV Company is not considered a core asset of the Company and the Proposed Disposal involves the disposal of a non-core asset.

7.4. **Support from Majority Shareholders.** Ho Leng Woon, Lau Woon Chan and Ho Chee Hon (the "**Undertaking Shareholders**") hold in aggregate approximately 54.95% of the voting rights of the Company.

The Undertaking Shareholders have on 13 November 2026 entered into irrevocable undertakings to the Company to vote in favour of any resolutions at the EGM to approve the Proposed Disposal (the "**Irrevocable Undertakings**"). As any resolution to approve the Proposed Disposal only requires the approval of a simple majority of Shareholders present and voting at the EGM, any such resolution is expected to be approved regardless of how the other Shareholders (other than the Undertaking Shareholders) may vote in respect of such resolution.

8. EXCHANGE'S CONSIDERATIONS

Based on the Company's submissions and representations in the Waiver Application, the SGX-ST considered the following Exchange's Considerations in granting the Waiver (subject to the Waiver Conditions):

(a) The Proposed Disposal in the JV Company involves a non-core asset of the Group;

(b) Zongshen has initiated the voluntary winding up of the JV Company. The Company, with its 12.5% equity interest in the JV Company, does not have the ability to prevent or influence Zongshen from voluntarily winding up the JV Company;

(c) The Board of the Company has opined that there will be no material change in the risk profile of the Company arising from the Proposed Disposal; and

(d) Shareholders of the Company who collectively have an interest of more than 50% of the total number of issued shares in the Company are prepared to undertake to vote in favour of the Proposed Disposal.

9. FULFILMENT OF THE WAIVER CONDITIONS

The Company has submitted to the SGX-ST the confirmations from the Board and the Irrevocable Undertakings from the Undertaking Shareholders in relation to the Documentary Conditions set out above. With this announcement made in compliance with the Announcement Conditions set out above, all of the Waiver Conditions have been satisfied.

10. FINANCIAL INFORMATION

10.1. **Book value.** Based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2026 ("**1H2026**", and such unaudited condensed interim consolidated financial statements of the Group for 1H2026, the "**1H2026 Financial Statements**"), the book value attributable to the Group's investment in the JV Company is approximately S$5.46 million.

10.2. **Net tangible assets.** Based on the 1H2026 Financial Statements, the net tangible asset value ("**NTA**") attributable to the Group's investment in the JV Company is approximately S$6.36 million.

10.3. **Latest available open market value.** Based on the latest valuation carried out on the Company's 12.5% equity interest in the JV Company[1], the fair value of the 12.5% equity interest in the JV Company as at 31 December 2025 is estimated at RMB 32.70 million (approximately S$6.30 million based on the exchange rate of S$1:RMB5.189 as at 12 November 2026). The independent valuer adopted the adjusted net asset approach when carrying out this valuation.

10.4. **Excess of consideration over book value of the Group's investment.** Based on the book value of the Group's investment in the JV Company as set out in paragraph 10.1 of this Announcement, the amount of excess of the Estimated Cash Proceeds above the said book value is approximately S$0.85 million. This figure is subject to adjustment based on the factors set out in paragraph 3.2 of this Announcement.

10.5. **Net profit attributable to the Group's investment.** Based on the 1H2026 Financial Statements, the net profit (before income tax and non-controlling interest) of the Group based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2026 is approximately S$898,000.

11. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the earnings per Share ("**EPS**") and NTA per Share of the Group are set out below.

11.1. **Bases and Assumptions.** The pro forma financial effects for the Proposed Disposal have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2025 (the "**Audited FY25 FS**"), being the most recently completed financial year for which financial statements are publicly available as at the date of this Announcement. Such financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Group following the Proposed Disposal.

11.2. **NTA and NAV per Share.** For illustrative purposes only and assuming the Proposed Disposal had been completed on 31 December 2025, the pro forma financial effects on the NTA and NAV per share of the Group for the financial year ended 31 December 2025 ("**FY2025**") based on the Audited FY25 FS are as follows:

	Audited	**Pro Forma**
	For the financial year ended 31 December 2025	
	Without the Proposed Disposal	**Assuming the Proposed Disposal**
NTA attributable to shareholders of the Company (S$'000)	57,301	58,146
NAV attributable to shareholders of the Company (S$'000)	57,710	58,555
Number of shares ('000)	164,531	164,531
NTA per share (S$ cents)	34.83	35.34
NAV per share (S$ cents)	35.08	35.59

[1] The Company and MoneyMax engage a valuer to value their equity interest in the JV Company every year. The latest valuation was carried out by Baker Tilly Consultancy (Singapore) Pte Ltd.

11.3. **EPS**. For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2025, the pro forma financial effects on the EPS of the Group for FY2025 based on the Audited FY25 FS are as follows:

	Audited	**Pro Forma**
	For the financial year ended 31 December 2025	
	Without the Proposed Disposal	**Assuming the Proposed Disposal**
Profit attributable to shareholders of the Company (S$'000)	1,579	2,424
Weighted average number of shares (excluding treasury shares and subsidiary holdings) ('000)	164,531	164,531
EPS (S$ cents)	0.96	1.47
EPS accretion (%)	Not applicable	53.1

12. FURTHER INFORMATION

12.1. **Interests of Directors and Controlling Shareholders.** As at the date of this Announcement, none of the directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company, if any).

12.2. **Service Contracts.** As at the date of this Announcement, no person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12.3. **Documents for Inspection.** A copy of the legal documentation entered into between the Company, Zongshen, MoneyMax and Free Trade Port Co in relation to the JV Company on 18 October 2016 is available for inspection by appointment during normal business hours at the registered office of the Company at 18, Pioneer Sector 1, Jurong, Singapore 628428, for a period of three months commencing from the date of this Announcement.

13. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in their Shares. Completion of the Proposed Disposal is subject to certain conditions and regulatory approval. There is no certainty or assurance as at the date of this Announcement that the Proposed Disposal will be completed or that no changes will be made to the terms thereof.

The Company will make the necessary announcements when there are further material developments in relation thereto. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt as to the actions they should take.

By Order of the Board

Ho Chee Hon
Group Chief Executive Officer
13 November 2026