



AF Global Limited
Company Registration No.197301118N
(Incorporated in the Republic of Singapore)

COMPLETION OF THE PROPOSED DISPOSAL OF CERTAIN OF THE GROUP'S ASSETS IN THAILAND

The board of directors (the “**Board**”) of AF Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement titled “Proposed Disposal of Certain of the Group’s Assets in Thailand” dated 10 January 2024 (the “**Proposed Disposal Announcement**”) in relation to the proposed disposal of the entire issued and paid-up share capital of a wholly owned subsidiary company, RP Hotels (Thailand) Limited (“**RP Hotels**”) together with the disposal of certain real estate assets in Phuket, Thailand (the “**Proposed Disposal**”). A copy of the Proposed Disposal Announcement is attached to the Appendix of this announcement.

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Proposed Disposal Announcement.

1. COMPLETION OF THE PROPOSED DISPOSAL

- 1.1 The Board wishes to announce that, subject to the updates in section 2 below, the Proposed Disposal has been completed on 10 July 2024 (the “**Completion Date**”). Accordingly, the following occurred on the Completion Date:
- (a) 100% of the shares in RP Hotels (which used to be a subsidiary of the Company) have been transferred to YTL Hotels & Properties Sdn. Bhd. and YTL Hotels (Singapore) Pte. Ltd. (collectively, the “**Shares Purchasers**”), which are wholly-owned subsidiaries of YTL Corporation Berhad. RP Hotels ceased to be a subsidiary of the Company on the Completion Date as the Group ceased to hold any interest in it; and
 - (b) the Assets (as described in paragraph 1.1.2 of the Proposed Disposal Announcement) have been transferred to Niche Property (Rawai) Company Limited (“**Niche Property**”) (see section 2.1 below), save for certain buildings and structures which could only be transferred to Niche Property at a later date. See section 2.2 below for further details.
- 1.2 As disclosed in the Proposed Disposal Announcement, the aggregate consideration for the Proposed Disposal, subject to adjustments, is THB1,600,000,000. The Group received an aggregate of THB1,580,000,000 (approximately S\$58,278,300) on the Completion Date for the completion of the transfers described in sections 1.1(a) and 1.1(b) above. The Group expects to receive the balance THB20,000,000 (approximately S\$737,700) when the remaining buildings and structures described in section 1.1(b) above are subsequently transferred to Niche Property in accordance with applicable Thai laws, which the Group expects to take place no later than end-August 2024.
- 1.3 The Company expects to convene the extraordinary general meeting (“**EGM**”) for the ratification of the Proposed Disposal within three months from the Completion Date.
- 1.4 As announced in the Proposed Disposal Announcement, Aspiat Corporation Limited and Mr Koh Wee Meng, the controlling shareholders of the Company, have undertaken not to dispose of their shares in the Company and to vote in favour of the Proposed Disposal at the EGM.

2. UPDATES IN CONNECTION WITH THE COMPLETION OF THE PROPOSED DISPOSAL

The Board wishes to provide updates to the terms of the Proposed Disposal under which its completion took place.

- 2.1 The Assets Purchaser, which is an associated company of YTL Corporation Berhad, had nominated Niche Property as the assignee for the acquisition of the Assets, and in connection thereto, the Assets Vendor (being a subsidiary of the Company) entered into a novation agreement dated 21 June 2024 (the “**Novation Agreement**”) with the Assets Purchaser and Niche Property, pursuant to which the rights and obligations of the Assets Purchaser are transferred to Niche Property. The disposal of the Assets by the Group was therefore completed with Niche Property, whereas the disposal of the shares in RP Hotels was still completed with the same Shares Purchasers. Niche Property is a company incorporated under the laws of Thailand and is unrelated to the Company’s directors, chief executive officer and controlling shareholders.
- 2.2 Further, in relation to the plots of land owned by RP Hotels (the abovementioned subsidiary which has been transferred to the Shares Purchasers on the Completion Date), as some buildings and structures on the land are registered under the Assets Vendor (the “**Affected Buildings**”), transfer of the Affected Buildings to Niche Property could only be completed after a 30-day period following the Completion Date under applicable Thai laws.

Accordingly, the Assets Vendor and Niche Property entered into an addendum to the Assets SPA dated 21 June 2024 (as modified by the Novation Agreement), pursuant to which they agreed, among others, to complete the sale of the Affected Buildings to Niche Property after a 30-day period and Niche Property shall pay the Assets Vendor THB400,000,000 (approximately S\$14,754,000) on the Completion Date for the Assets, excluding the Affected Buildings, and the balance of THB20,000,000 (approximately S\$737,700) upon the completion of the transfer of the Affected Buildings by the Assets Vendor to Niche Property, which is expected to be no later than end-August 2024.

For the avoidance of doubt, the consideration payable for the Assets remains the same as announced in the Proposed Disposal Announcement, being THB420,000,000 (approximately S\$15,491,700). The Assets Vendor has received THB400,000,000 (approximately S\$14,754,000) from Niche Property on the Completion Date for the completion of the transfer of the Assets (excluding the Affected Buildings).

- 2.3 As disclosed in paragraph 5.3 of the Proposed Disposal Announcement, the estimated loss arising from the Proposed Disposal is approximately S\$6,001,000. As a result of depreciation of Thai Baht against the Singapore Dollar between the date of the Proposed Disposal Announcement and the Completion Date, the loss arising from the Proposed Disposal is now estimated to be approximately S\$6,911,000.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

11 July 2024

Appendix

Proposed Disposal Announcement



AF Global Limited

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PROPOSED DISPOSAL OF CERTAIN OF THE GROUP'S ASSETS IN THAILAND

1. INTRODUCTION

1.1 Proposed Disposal. The board of directors (the “**Board**”) of AF Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has entered into the following two sale and purchase agreements (the “**Agreements**”) today:

1.1.1 a share sale and purchase agreement dated 10 January 2024 (the “**Shares SPA**”) between Bon (38) Investment Pte. Ltd., Bon 88 Investment Pte. Ltd., Rawai (38) Investment Pte. Ltd. and Rawai 88 Investment Pte Ltd. as vendors (collectively, the “**Shares Vendors**”), and YTL Hotels & Properties Sdn. Bhd and YTL Hotels (Singapore) Pte. Ltd. as purchasers (collectively, the “**Shares Purchasers**”). Subject to the terms of the Shares SPA, the Shares Vendors, each of which holds 2,375,000 ordinary shares of THB 100 each in RP Hotels (Thailand) Limited (“**RP Hotels**”), will sell to the Shares Purchasers or a permitted assignee (the “**Shares Disposal**”) an aggregate of 9,500,000 ordinary shares of THB 100 each, representing the entire issued and paid-up share capital of RP Hotels (the “**Sale Shares**”). RP Hotels owns six plots of freehold land (the “**Hotel Land**”) in Phuket, Thailand, which were proposed to be used for a hotel development project (the “**Hotel Development**”); and

1.1.2 an asset sale and purchase agreement dated 10 January 2024 (the “**Assets SPA**”) between RP (Thailand) Limited (the “**Assets Vendor**”, and together with the Shares Vendors, the “**Vendors**”) and Y Property (Rawai) Company Limited (the “**Assets Purchaser**”, and together with the Shares Purchasers, the “**Purchasers**”). Subject to the terms of the Assets SPA, the Assets Vendor will sell to the Assets Purchaser or a permitted assignee the following assets (the “**Assets Disposal**”, and together with the Shares Disposal, the “**Proposed Disposal**”):

1.1.2.1 two plots of freehold land in Phuket, Thailand (including the buildings thereon) which were proposed to be used for a residential development project, together with the buildings and structures, including their fixtures, located on the two plots of land (“**Asset 1**”);

1.1.2.2 two condominium units with freehold tenure at Andaman Cove Condominium in Phuket, Thailand (“**Asset 2**”); and

1.1.2.3 the rights of occupation and use of two plots of land with an area of (i) approximately 24,800 square metres of beach land with approximately 270 metres of beach frontage, and (ii) approximately 6,400 square meters of land, located on Bon Island, Phuket, Thailand, together with the buildings and structures, including their fixtures, located on the two plots of land (“**Asset 3**”, and together with Asset 1 and Asset 2, the “**Assets**”, and RP Hotels and the Assets collectively, the “**Disposal Interest**”).

- 1.2 Information on RP Hotels.** As at the date of this announcement (the “**Announcement**”), RP Hotels has a registered capital of THB950,000,000. RP Hotels is an indirect wholly-owned subsidiary of the Company, held through the Shares Vendors.

RP Hotels is a special purpose vehicle engaged in the ownership of the Hotel Land, where the former Evason Phuket Resort and Six Senses Spa used to be located. The Hotel Land was proposed to be used for the Hotel Development, which together with the Assets, form part of a wider development integrating both hotel and residential developments and access to an exclusive beach. This is a legacy project from the Company’s previous controlling shareholder, when the Company was then known and listed as L.C. Development Ltd.

Completion Date. Completion of the Proposed Disposal (“**Completion**”), which comprises the sale of the Disposal Interest pursuant to the Agreements, is subject to and conditional upon the Conditions Precedent (as defined below) and the receipt of the Aggregate Consideration (as defined below) by the Vendors, as further described in paragraph 3 of this Announcement. Completion under the Agreements are expected to take place together on the same day and it is intended that the Purchasers will acquire the Sale Shares and the Assets collectively as part of a single transaction. If completion under either of the Agreements fails to take place, it is currently not intended that the sale of the Disposal Interest under the other agreement will be completed, unless the parties agree otherwise upon such an event. Following Completion, RP Hotels will cease to be a subsidiary of the Group.

2. INFORMATION ON THE VENDORS AND THE PURCHASERS

- 2.1 The Vendors.** The Vendors are subsidiaries of the Company. The Shares Vendors are direct subsidiaries of the Company incorporated under the laws of Singapore, and each of their principal activity is that of investment holding. Each of the Shares Vendors holds the ordinary shares in RP Hotels which are proposed to be sold under the Proposed Disposal. The Assets Vendor is a subsidiary of the Company incorporated under the laws of Thailand, and is 87% directly and indirectly owned by the Company. The remaining 13% is owned by parties unrelated to the Company or its controlling shareholders. The principal activity of the Assets Vendor is property investment, and it owns the Assets which are proposed to be sold under the Proposed Disposal.
- 2.2 The Purchasers.** The Shares Purchasers are wholly-owned subsidiaries of YTL Corporation Berhad (“**YTL Corporation**”), while the Assets Purchaser is an associated company of YTL Corporation. YTL Corporation is a company incorporated under the laws of Malaysia and listed on Bursa Malaysia Securities Berhad with a market capitalisation of RM20.765 billion as of 31 December 2023.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

- 3.1 Aggregate Consideration.** The aggregate consideration for the Proposed Disposal is, subject to adjustments as of Completion, THB1,600,000,000 (approximately S\$60,960,000 based on the closing exchange rate of THB1:S\$0.0381 (the “**LPD Exchange Rate**”) on 9 January 2024, being the latest practicable date prior to the date of this Announcement (the “**LPD**”)) (the “**Aggregate Consideration**”), comprising THB1,180,000,000 (approximately S\$44,958,000 based on the LPD Exchange Rate) for the Sale Shares under the Shares SPA, and THB420,000,000 (approximately S\$16,002,000 based on the LPD Exchange Rate) for the Assets under the Assets SPA. The Aggregate Consideration was arrived at arm’s length on a ‘willing buyer willing seller’ basis between the Vendors and the Purchasers and after taking into account the following:
- 3.1.1** an independent valuation of the Hotel Land of THB1,100,000,000 (approximately S\$41,910,000 based on the LPD Exchange Rate) which was conducted for the purposes of the preparation of the Group’s audited financial statements for the financial year ended 31 December 2022 (“**FY2022**”);
- 3.1.2** an independent valuation of Asset 1 of THB392,000,000 (approximately S\$14,935,200 based on the LPD Exchange Rate) which was conducted for the purposes of the preparation of the Group’s audited financial statements for FY2022. This valuation excludes any valuation of buildings and structures or any components thereof located on Asset 1, which do not have any value as they are intended to be demolished to make way for the new development; and

- 3.1.3** an independent valuation of Asset 2 of THB21,100,000 (approximately S\$803,910 based on the LPD Exchange Rate) which was conducted for the purposes of the preparation of the Group's audited financial statements for the financial year ended 31 December 2021.

No independent valuation of the Sale Shares and the Assets was carried out for the purpose of the Proposed Disposal as the last independent valuations of the Hotel Land, Asset 1 and Asset 2 were done in recent years and the management is of the view that there is no material change to the valuation of these assets, whereas Asset 3 is immaterial to the Group.

The Aggregate Consideration will be subject to post-Completion adjustments as the consideration under the Shares SPA may increase or decrease depending on the actual cash, debt and working capital of RP Hotels at Completion, as determined in accordance with the terms of the Shares SPA. Such adjustments, which may result in payment by the Shares Vendors to the Shares Purchasers, or payment by the Shares Purchasers to the Shares Vendors, will be settled post-Completion after the adjustments are determined in accordance with the Shares SPA.

- 3.2 Deposit.** Further to the terms of the Shares SPA, the Shares Purchasers will, within such period as agreed with the Shares Vendors, pay into escrow a deposit of S\$6,159,520, which the Shares Vendors and the Shares Purchasers agreed to be equivalent to THB160,000,000 under the terms of the Shares SPA (the **"Deposit"**) using an exchange rate of THB1:S\$0.038497, which is based on the daily exchange rate published by the Monetary Authority of Singapore as of 5 January 2024. The Deposit will be held on behalf of the Shares Vendors by an escrow agent in an escrow account in accordance with the terms of an escrow agreement dated 10 January 2024 between the Company, YTL Hotels (Singapore) Pte. Ltd., and a third party financial institution as the escrow agent (the **"Escrow Agreement"**). On Completion, the Deposit shall be released to the Shares Vendors and the Purchasers shall pay the balance (less the Deposit amount) to the Vendors. In the event of termination of the Shares SPA (the **"Shares SPA Termination"**), the Deposit will be paid to the Shares Vendors or the Shares Purchasers, as the case may be, depending on the situation leading to the Shares SPA Termination, as agreed under the Shares SPA.

- 3.3 Conditions Precedent.** The sale of the Disposal Interest is conditional upon the following conditions precedents (each, a **"Condition Precedent"** and collectively, the **"Conditions Precedent"**) being satisfied (or waived by the relevant party) under the Agreements:

- 3.3.1** the Vendors having procured the following:

- 3.3.1.1** the warranties given by the Vendors in the Agreements being true and accurate and not misleading in all material respects on and as of the date of this Announcement and shall be true and accurate and not misleading in all material respects on and as of the date of Completion pursuant to the terms of the Agreements;
- 3.3.1.2** no material adverse effect in respect of the Disposal Interest has occurred and is continuing;
- 3.3.1.3** no statute, regulation or decision which would prohibit, restrict or materially delay the execution, delivery or performance of the Agreements or the consummation of the transactions contemplated by the Agreements having been proposed, enacted or taken by any governmental authority;
- 3.3.1.4** the Board of Investment of Thailand (**"BOI"**) investment promotion certificate having been obtained under the name of RP Hotels on terms agreed in the Shares SPA;
- 3.3.1.5** the approval of the Environment Impact Assessment Report (the **"EIA Report"**) required for the proposed development and construction of the hotel and residential projects on the Hotel Land (the **"Proposed Development"**) having been obtained by RP Hotels shall remain valid and subsisting on the Completion Date (as defined below);
- 3.3.1.6** the receipt of certain demolition and construction permits in accordance with the Agreements;

- 3.3.1.7 all titles to the Hotel Land are in order and free from all encumbrances (other than as agreed in the Shares SPA);
- 3.3.1.8 to procure the entry of service agreements by RP Hotels with certain persons identified under the Shares SPA for the provision of their services reasonably required in relation to the construction of the Proposed Development for such period agreed under the Shares SPA;
- 3.3.1.9 there being no resolution and/or order for the compulsory acquisition or intended acquisition of expropriation by any governmental authority in Thailand of the Hotel Land or material part thereof on or before Completion;
- 3.3.1.10 any and all outstanding obligations of RP Hotels (other than any such obligations agreed with the Shares Purchasers in writing) having been settled in a manner satisfactory to the Shares Purchasers (acting reasonably and in good faith); and
- 3.3.1.11 certain indebtedness of RP Hotels to related companies of the Group being settled in a manner satisfactory to the Shares Purchasers (acting reasonably and in good faith).

3.3.2 the Purchasers having procured the following:

- 3.3.2.1 the Purchasers having received all corporate and/or regulatory authorisations and approvals necessary for the Purchasers to enter into and perform its obligations under the Agreements, including, where required, consent of the Bank Negara Malaysia (Central Bank of Malaysia) for the consummation of the transactions under the Agreements on terms acceptable to the Purchasers;
- 3.3.2.2 the warranties given by the Purchasers in the Agreements being true and accurate in all material respects on and as of the date of this Announcement and shall be true and accurate in all material respects on and as of the date of Completion pursuant to the terms of the Agreements;
- 3.3.2.3 the fulfilment of all the conditions precedent to be procured by the Purchasers under the Agreements; and

3.3.3 for the purposes of this Announcement, “**Business Days**” mean days (other than Saturdays, Sundays, or public holidays) on which commercial banks are open for business in Thailand, Malaysia, and Singapore.

3.4 **Completion.** The date of Completion (the “**Completion Date**”) shall be on the date falling 12 Business Days after the satisfaction or waiver of the last of the Conditions Precedent (or on such other date as may be agreed between the Vendors and the Purchasers).

3.5 **Termination.** If the Conditions Precedents are not satisfied or waived by 10 September 2024 (or such other date as may be agreed between the Vendors and the Purchasers), then, unless mutually agreed otherwise by the Vendors and the Purchasers, the Agreements shall cease and be terminated (except in respect of provisions expressed to survive termination). In certain situations where the termination of the Agreements is not due to the failure of the Purchasers to procure the satisfaction of the Conditions Precedent applicable to them, the Shares Vendor will return the Deposit to the Shares Purchasers in accordance with the terms of the Shares SPA and the Escrow Agreement.

3.6 **Guarantee.** In connection with the Proposed Disposal, the Company also entered into a deed of guarantee today with the Purchasers and the Vendors, pursuant to which the Company, among others:

- 3.6.1 guaranteed to the Purchasers the due and punctual performance and observance by the Vendors of all of their commitments, undertakings, warranties, indemnities and obligations under the Agreements (the “**Guaranteed Obligations**”);

- 3.6.2** unconditionally and irrevocably undertook to satisfy (or procure the satisfaction of), upon demand, the Guaranteed Obligations which any Vendor defaulted or failed to carry out, in a manner prescribed under the Agreements, as if the Company was the principal obligor under the Agreements, such that the Purchasers shall have the same benefits as it would have received if the Guaranteed Obligations had been duly satisfied by the Vendors; and
- 3.6.3** indemnified the Purchasers or at the Company's option (after completion of the Shares SPA) RP Hotels for any and all losses which the Purchasers or RP Hotels (as the case may be) suffered by reason of the failure by any Vendor to perform or discharge its obligations or liabilities in respect of the Guaranteed Obligations.

4. RATIONALE FOR THE PROPOSAL AND USE OF PROCEEDS

- 4.1 Rationale for the Proposed Disposal.** As stated in paragraph 1.2 of this Announcement, the Hotel Land and the Assets were intended to be part of a wider development by the Group around Rawai beach in Phuket, Thailand. However, due to the COVID-19 pandemic, the development was put on hold in 2020. Although the pandemic has largely passed, the interest rate environment has been on a significant upward trend since the first half of 2022. Commencement of development of the Hotel Land and the residential development of Asset 1 will require significant outlay of capital from the Group, which will require external financing. Due to the high interest rate environment, finance costs for the development will increase significantly, thereby potentially reducing the return on investment of the Hotel Development and these Assets. The Proposed Disposal therefore provides the Group with the opportunity to monetise its investment.
- 4.2 Use of Proceeds.** The proceeds from the Proposed Disposal would strengthen the Group's cash flow for its general working capital purposes. The Company will evaluate opportunities to deploy the net proceeds in order to maximise returns to the shareholders of the Company (the "**Shareholders**").

5. FINANCIAL INFORMATION

- 5.1 Book Value and Net Tangible Asset Value.** Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 ("**1H2023**", and such unaudited consolidated financial statements of the Group for 1H2023, the "**1H2023 Financial Statements**"), the book value and net tangible asset value ("**NTA**") of the Disposal Interest is approximately S\$61,313,000.
- 5.2 Excess of Aggregate Consideration over NAV of the Disposal Interest.** Based on the book value of the Disposal Interest as set out in paragraph 5.1 of this Announcement, the amount of deficit of the Aggregate Consideration below the said book value is approximately S\$353,000.
- 5.3 Net Profit and Estimated Net Loss from Disposal.** Based on the 1H2023 Financial Statements, the net loss (before income tax, minority interests and extraordinary items) attributable to the Disposal Interest for 1H2023 is approximately THB13,266,000 (approximately S\$516,000 based on an average exchange rate of THB1:S\$0.0389 for the six months ended 30 June 2023). Based on the book value of the Disposal Interest as set out in paragraph 5.1 of this Announcement, and after considering: (i) the estimated taxes payable to the tax authorities in Thailand; (ii) the estimated costs and expenses related to the Proposed Disposal; and (iii) realisation of accumulated translation loss on the disposal of the Disposal Interest, the estimated loss arising from the Proposed Disposal is approximately S\$6,001,000.

6. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Disposal on the net asset value ("**NAV**") per ordinary share in the capital of the Company ("**Share**"), NTA per Share and earnings per Share ("**EPS**") of the Group are set out below.

- 6.1 Bases and Assumptions.** The pro forma financial effects for the Proposed Disposal have been prepared based on the audited financial statements of the Group for FY2022, 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.

- 6.2 EPS.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2022, being the beginning of FY2022, the pro forma financial effects on the EPS of the Group are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Loss after tax and non-controlling interests (before fair value adjustments and exceptional items) (S\$'000)	(552)	(5,327)
Loss per Share (in Singapore cents)	(0.05)	(0.50)

- 6.3 NAV.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2022, being the end of FY2022, the pro forma financial effects on the consolidated NAV of the Group are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net Assets (S\$'000)	211,544	208,284
Number of Shares	1,055,639	1,055,639
NAV per Share (in Singapore cents)	20.04	19.73

- 6.4 NTA.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2022, being the end of FY2022, the pro forma financial effects on the consolidated NTA of the Group are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net Assets (S\$'000)	211,544	208,284
Less: Intangibles (S\$'000)	18	18
NTA (S\$'000)	211,526	208,266
Number of Shares	1,055,639	1,055,639
NTA per Share (in Singapore cents)	20.04	19.73

7. MAJOR TRANSACTION

- 7.1 Major Transaction.** The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 ("**Rule 1006**") of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are as follows:

Rule 1006	Bases	Proposed Disposal (S\$'000)	Group (S\$'000)	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the net asset value of the Group	61,313 ^{(1), (2)}	208,610 ⁽¹⁾	29.39

Rule 1006	Bases	Proposed Disposal (\$'000)	Group (\$'000)	Relative Figures (%)
(b)	Net loss (before income tax, minority interests and extraordinary items) attributable to the assets to be disposed of, compared with the Group's net profits (before income tax, minority interests and extraordinary items)	(516) ^{(1),(3)}	2,647 ⁽¹⁾	(19.50)
(c)	Aggregate value of the Aggregate Consideration compared with the market capitalisation of the Company (based on the total number of issued shares excluding treasury shares)	60,960 ⁽⁴⁾	81,918 ⁽⁵⁾	74.42

Notes:

- (1) Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023.
- (2) Computed based on the book value of the Group's investment in RP Hotels and the Assets as at 30 June 2023 of approximately THB1,613,513,000 (S\$61,313,000 based on the closing exchange rate of THB1:S\$0.0380 as at 30 June 2023).
- (3) Computed based on net loss (before income tax, minority interests and extraordinary items) attributable to RP Hotels and the Assets for the six months ended 30 June 2023 of approximately THB13,266,000 (S\$516,000 based on the average exchange rate of THB1:S\$0.0389 for the half year ended 30 June 2023). Although the Hotel Land and the Assets have not been developed and are non-income producing, there were unrealised exchange losses arising from translating Singapore Dollar inter-company interest payable and some minimal expenses.
- (4) Aggregate Consideration is based on the LPD Exchange Rate.
- (5) The Company's market capitalisation is based on 1,055,639,464 ordinary shares in the capital of the Company in issue (excluding treasury shares) (the "Shares") multiplied by the weighted average price of S\$0.0776 of each Share transacted on the LPD.

As the relative figures computed based on Rule 1006(a) and Rule 1006(c) exceed 20 per. cent., 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 extraordinary general meeting to be convened (an "EGM"), unless a waiver is granted by the SGX-ST.

8. WAIVER APPLICATION

8.1 Waiver from Requirement to Comply with Rule 1014(2) of the Listing Manual. The Company had, prior to the date of the Announcement, made an application to the SGX-ST (the "Waiver Application") for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Proposed Disposal to be made conditional upon approval of the Shareholders in a general meeting (the "Waiver").

8.2 Grounds for seeking the Waiver. The Company's grounds for the Waiver Application were as follows:

8.2.1 as a result of adverse impact of the COVID-19 pandemic on its operations, the Company recorded pre-tax losses for the three most recently completed consecutive financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. Although the Group was nonetheless profitable in its most recent announced interim financial statements for the six-months ended 30 June 2023, further development of the Hotel Development and the residential development of Asset 1 will require significant capital resources. The current high interest rate environment for borrowings will also further increase construction costs and potentially reduce the return on investment of the Hotel Development and these Assets;

- 8.2.2** YTL Corporation, a conglomerate with significant financial resources, has substantial interests in the Purchasers. Accordingly, the Company believes that the Proposed Disposal is a timely opportunity for the Company to monetise its investment while reducing its capital commitments towards the developments;
- 8.2.3** after the Proposed Disposal, the Group will continue to engage its core businesses and there is no material change or alteration to the Group's business or risk profile in an adverse fashion as (i) the Group's hospitality sector will still account for approximately 38% of the Group's net asset value as of 30 June 2023 on a pro forma basis, (ii) the Group will be in a net cash position as of 30 June 2023 on a pro forma basis, (iii) the Proposed Disposal will free provide additional cash flow for general working capital purposes of the Group, and (iv) the Proposed Disposal will not result in a concentration of operations in other jurisdictions, as the Group continues to have businesses in Thailand;
- 8.2.4** the majority Shareholders of the Company, being Aspial Corporation Limited and Mr Koh Wee Meng, who in aggregate hold approximately 73.1% voting rights of the Company, are in support of the Proposed Disposal and are prepared to provide an irrevocable undertaking to the Company to vote in favour of any shareholder resolution to approve the Proposed Disposal;
- 8.2.5** if the Proposed Disposal is made conditional upon prior Shareholders' approval, it may increase execution risks of the transactions and may also unduly delay the completion the Proposed Disposal and accordingly the Group's receipt of the balance of the Aggregate Consideration, which could be better utilised to strengthen the Group's cash flow for its general working capital purposes;
- 8.2.6** the terms of the Proposed Disposal would be negotiated between the Vendors and the Purchasers based on normal commercial terms and on an arm's length basis. Accordingly, the Company is of the view that the Proposed Disposal will not prejudice the interests of the minority Shareholders and it will be beneficial to the Shareholders for the Proposed Disposal to be executed and completed expeditiously so as to strengthen the Group's cash flow and the Group's ability to manage its borrowings and finance costs; and
- 8.2.7** the Company is of the view that the Proposed Disposal will not materially change the current risk profile of the Group. Based on the pro forma financial effects as set out in paragraph 6 of this Announcement, (i) the Company does not expect the Proposed Disposal to have a significant adverse impact on the NTA or NAV of the Group, and (ii) the Proposed Disposal would have had an increase in the loss of the Group from 0.05 cents to 0.50 cents per Share. However, the Group considers the S\$6,001,000 loss arising from the Proposed Disposal as a one-off non-operating item which would not materially change the risk profile of the Group for the reasons stated in paragraph 8.2.3 of this Announcement.

8.3 SGX-ST Waiver. The SGX-ST had advised that it has no objection to the Company's application for the Waiver, subject to the following (the "**Waiver Conditions**"):

- 8.3.1** the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the SGX-ST's Mainboard Rules and if the Waiver Conditions have been satisfied. If the Waiver Conditions have not been met on the date of this Announcement, the Company must make an update announcement when all the Waiver Conditions have been met;
- 8.3.2** submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company;
- 8.3.3** submission of a written confirmation from the Company that the Waiver is/will not be in contravention of any laws and regulations governing the Company and its constitution;
- 8.3.4** unanimous approval by the Board for the Proposed Disposal;
- 8.3.5** submission of a written undertaking from the Company that it will seek Shareholders' ratification of the Proposed Disposal within 3 months from the Completion Date;

8.3.6 submission of an irrevocable undertaking from Aspial Corporation Limited and Mr Koh Wee Meng to vote in favour of the Proposed Disposal at the EGM (the “**Voting Undertakings**”); and

8.3.7 submission of an irrevocable undertaking from Aspial Corporation Limited and Mr Koh Wee Meng not to dispose of their shares in the Company until the EGM is conducted (the “**Moratorium Undertakings**”, and together with the Voting Undertakings, the “**Shareholders Undertakings**”).

8.4 Fulfilment of Waiver Conditions. Pursuant to the above, the Company wishes to announce that the Waiver Conditions have been fulfilled. In particular:

8.4.1 the grant of the Waiver by the SGX-ST, the reasons for seeking the Waiver, the Waiver Conditions, and whether the Waiver Conditions have been satisfied, have been disclosed in this Announcement;

8.4.2 the Company has submitted a written confirmation from the Company to the SGX-ST that (i) it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company, and (ii) the Waiver is/will not be in contravention of any laws and regulations governing the Company and its constitution;

8.4.3 the Proposed Disposal was unanimously approved by the directors of the Company (the “**Directors**”);

8.4.4 the Company has submitted the undertaking to the SGX-ST that it will seek Shareholders’ ratification of the Proposed Disposal within three months from the Completion Date; and

8.4.5 copies of the Shareholders Undertakings have been provided to the SGX-ST.

9. FURTHER INFORMATION

9.1 Interests of Directors and Controlling Shareholders. As at the date of this Announcement, apart from their shareholdings in the Company and the Shareholders Undertakings, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

9.2 Directors’ Service Contracts. No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9.3 Documents for Inspection. Copies of the Agreements are available for inspection on an appointment basis during normal business hours at the registered office of the Company at Aspial One, 55 Ubi Avenue 3, #04-01, Singapore 408864, for a period of three months commencing from the date of this Announcement.

10. CAUTIONARY NOTE

The Proposed Disposal is subject to the Conditions Precedent as set out in paragraph 3.3 of this Announcement, and there is no certainty as at the date of this Announcement that the Conditions Precedent will be met. The Company will provide an update as and when Completion occurs. In the meantime, Shareholders are advised to exercise caution when dealing in the shares in the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

10 January 2024