AF Global Limited

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

UPDATE ON THE GROUP'S ASSET AND INVESTMENT PORTFOLIO – XUZHOU INVESTMENT

The Board of Directors (the "**Board**") of AF Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its announcement dated 5 September 2025 (the "**Previous Update Announcement**") and the disclosures in the results announcement for the half-year ended 30 June 2025 dated 8 August 2025 regarding the ongoing liquidation of Xuzhou Yinjian LumChang Real Estate Development Co., Ltd ("**XZYJLC**"), the Group's joint venture investment in Xuzhou, China (the "**Xuzhou Investment**") which the Group has a 55% equity interest in.

As disclosed in the Previous Update Announcement, the appointed liquidator (the "**Liquidator**") had conducted three rounds of public auctions in relation to certain components[1] of XZYJLC's investment in Gulou Square, each at a subsequently lowered reserve price, all of which closed without any bids received.

The Board wishes to update shareholders that following discussions between the Liquidator, the Company and the joint venture partner of XZYJLC (the "**JV Partner**"), the Liquidator conducted a fourth round of auction for the Auction Components which had closed on 23 November 2025 without receiving any bid.

The Liquidator is expected to convene a further meeting with the Company and the JV Partner to discuss the next course of action. The Company expects that the following will be discussed and considered together with the Liquidator and the JV Partner as potentially the next course of action:

1. conducting additional auction rounds at lower reserve prices compared to previous auction rounds;

2. evaluating alternative disposal options for the underlying real estate assets of Gulou Square; and/or

3. taking such actions as the Liquidator may deem necessary to complete the liquidation of XZYJLC.

The Company had disclosed in the Previous Update Announcement that, if all the components in Gulou Square owned by XZYJLC were disposed at a discount of 50% or 60% to their fair value, the recoverable amount of the Group's investment in XZYJLC may have to be written down, and a fair value loss may be recognised. The pro forma financial effects on the Group's net assets as at 30 June 2025 arising from the disposals at such discounts were also disclosed in the Previous Update Announcement. As no bids were received at 50% discount to the fair value of the Auction Components in the fourth round of auction, if the parties decide to proceed with another round of auction, the reserve price will likely be pegged at up to 60% discount to the fair value. In the event the reserve price is pegged at 60% discount to the fair value in a fifth round of auction and similarly no bids are received, the financial effects at 60% discount to the fair value as disclosed in the Previous Update Announcement will become more probable.

[1] As disclosed in the Previous Update Announcement, the third round of auction was in relation to the hotel tower and certain retail units and carpark spaces (the "**Auction Components**"), which collectively comprised around 81% of the fair value of XZYJLC's investment in Gulou Square, a mixed-use development located in Gulou District of Xuzhou, China ("**Gulou Square**") held by XZYJLC. Other than the Auction Components, XZYJLC also owns other retail and office units and carpark spaces in Gulou Square.

The final realisation value of the Xuzhou Investment remains uncertain, and further discounts to fair value may result in additional write-downs and fair value losses. There is no assurance that the eventual discount to fair value will not exceed 60% discount to the fair value mentioned in the Previous Update Announcement.

As the auction for the Auction Components was completed without any bid at 50% discount to the fair value, the Company expects to write down a portion of the recoverable amount of the Group's investment in XZYJLC and recognise a fair value loss for its full financial year ending 31 December 2025, barring some or all of XZYJLC's real estate assets are successfully liquidated by 31 December 2025 at a lower discount than a 40% discount to the fair value and within the fair value losses already provided for in the unaudited financial statements of the Group for the half-year ended 30 June 2025 in respect of its investment in XZYJLC.

The Board will continue to monitor developments closely and will provide updates as and when there are any material developments. Shareholders are advised to exercise caution when dealing in the shares of the Company.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

24 November 2025