HGH HOLDINGS LTD.
Company Registration No. : 200412064D
(Incorporated in the Republic of Singapore)

PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF COOL FARMS HOLDING PTE. LTD. PURSUANT TO A SUBSCRIPTION AGREEMENT

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1. BACKGROUND

The Board of Directors (the "**Board**") of HGH Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 14 November 2025 entered into a subscription agreement (the "**Subscription Agreement**") with Cool Farms Holding Pte. Ltd. ("**Cool Farms**") (each a "**Party**", and collectively, the "**Parties**"). Pursuant to the Subscription Agreement, the Company will subscribe 135,000 ordinary shares, representing 13.5% of the total issued and paid-up enlarged post-subscription share capital of Cool Farms Holdings ("**Subscription Shares**"), for a total consideration of RMB 20,000,000 ("**Proposed Subscription**"). Following the completion of the Proposed Subscription, Cool Farms will become a 13.5%-owned associate of the Company.

2. INFORMATION ON COOL FARMS

Cool Farms is an exempt private company limited by shares, incorporated in Singapore on 25 August 2025, and has, as the date of this announcement, an issued and paid-up share capital of S$86,500 comprising 865,000 ordinary shares.

Cool Farms is a newly incorporated investment holding company which, together with the Cool Farm Entities (as defined below), is mainly engaged in the research and development, assembly and production of hydroponic crop box-type modules, research and development and production of germplasm resources and nutrient solutions, chain development and management of smart vegetable factories in China, and has multiple invention patents, as well as product trademarks such as Cool Farms ®, Smart Plant® and Smart Juice ®.

For completeness of information, Cool Farms will be acquiring Cool Farms (Shanghai) Technology Co., Ltd. ("**Cool Farms Shanghai**"), an entity in the process of incorporation, which will hold 100% of the shares in Cool Farms (Jiangsu) Technology Co., Ltd. ("**Cool Farms Jiangsu**"), and Cool Farms Jiangsu currently holds 60% of the shares of Smart Plant Technology (Suzhou) Co., Ltd. ("**Smart Plant Technology**").

"**Cool Farms Entities**" means Cool Farms Shanghai, Cool Farms Jiangsu, and Smart Plant Technology.

Based on the latest consolidated unaudited financial statements of the Cool Farms Entities for the financial period ended 30 June 2025, the Cool Farms Entities recorded a net profit before tax of RMB 99,000 (approximately S$18,000) and a net tangible asset ("**NTA**") of RMB 21,179,000 (or approximately S$3,809,000) as at 30 June 2025.The net profit before tax and NTA of Cool Farms as at 31 October 2025 was $nil and $86,500 respectively.

3. SALIENT TERMS OF THE PROPOSED SUBSCRIPTION

3.1 Subscription Price

Pursuant to the Subscription Agreement, the Company will subscribe for an aggregate of 135,000 ordinary shares in the capital of Cool Farms which shall, upon the allotment and issue to the

Company, constitute thirteen point five per cent. (13.5%) of the total issued ordinary shares in the capital of Cool Farms (the "**Subscription Shares**") at a total issue price of RMB 20,000,000 (or approximately S$3,600,000 based on the exchange rate of S$1.00 : RMB 5.56) ("**Subscription Price**") (the "**Proposed Subscription**").

The Subscription Price was arrived at after negotiations on an arm's length, willing-buyer, willing-seller basis after taking into account, *inter alia*, the market value of Cool Farms and the Cool Farms Entities (collectively, the "**Cool Farms Group**"), growth prospects of Cool Farms Group and the strategic merits of the Proposed Subscription. No independent valuation was conducted on Cool Farms Group for the purposes of this transaction. There is no open market value as the Subscription Shares are not publicly traded. The Subscription Price will be fully funded by internal resources.

The issue price of RMB 20,000,000 shall be satisfied by the Company by payment through two tranches:

(a) The Company shall firstly pay the amount of RMB 10,000,000 (the "**First Tranche**") to Cool Farms on Completion Date (as defined below).

(b) Thereafter, the Company shall pay the remaining amount of RMB 10,000,000 (the "**Second Tranche**") to Cool Farms no later than two (2) months after the Year 1 KPI (as defined below) has been achieved by Cool Farms.

Cool Farms shall achieve a total sale of no less than fifty (50) container modules and revenue of more than RMB 15,000,000 within the first year following Completion (as defined below) ("**Year 1 KPI**").

If Cool Farms fails to achieve the Year 1 KPI:

(a) The Company shall have the absolute and sole discretion, by not less than two (2) months' written notice to Cool Farms, either (i) not to proceed with payment of the Second Tranche, or (ii) to enter into good faith negotiations with Cool Farms to agree on a revised Second Tranche amount; and

(b) If the Company and Cool Farms are unable to reach agreement on a revised Second Tranche amount, there shall be no payment of the Second Tranche from the Company to Cool Farms and the Company shall be entitled to retain 50% of the Subscription Shares.

3.2 **Conditions Precedent**

The completion of the Proposed Subscription is conditional upon the following:

(a) the results of the legal, financial and accounting and/or any other due diligence exercises carried out by the Company on Cool Farms and the Cool Farm Entities being satisfactory to the Company in its sole discretion;

(b) the Company entering into a legal and binding shareholders' agreement with Cool Farms and its shareholders to regulate the affairs of Cool Farms and the rights and obligations of its shareholders, which agreement shall, at a minimum, address the matters set out in the Subscription Agreement, and which shall be conditional upon and take effect on Completion;

(c) all regulatory approvals, if any, having been obtained in relation to the transactions contemplated under the Subscription Agreement, and where such approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Company; and

(d) Cool Farms completing the acquisition of Cool Farms Shanghai, which in turn holds 100% of the shares of Cool Farms Jiangsu, noting that Cool Farms Jiangsu currently holds 60% of the shares of Smart Plant Technology. For the avoidance of doubt, Cool Farms is in the process of incorporating Cool Farms Shanghai.

The Company shall be entitled (but not bound to) waive any of the conditions precedent provided that such waiver is permissible under law and shall be in writing.

3.3 **Completion**

"**Completion**" means completion of the subscription of the Subscription Shares by the Company.

"**Completion Date**" means two (2) months from the date of the Subscription Agreement or such other date as the Company and Cool Farms may mutually agree in writing.

Completion shall take place on the Completion Date at the registered office of Cool Farms (or such other place and time as the Parties may mutually agree) when all (but not some only) of the events described in clause relating to Completion shall occur.

If in any respect the provisions relating to Completion are not complied with by Cool Farms on the one hand, and/or the Company on the other hand, on the Completion Date, then the Party not in default shall, without prejudice to any other rights or remedies available to it of them, be entitled to:

(a) defer Completion to a date not more than twenty-eight (28) days after the Completion Date; or

(b) proceed to Completion so far as practicable; or

(c) rescind the Subscription Agreement.

3.4 **Future Financing**

The Parties agree that if Cool Farms obtains any future financing by issuance or sale of ordinary shares in the capital of Cool Farms to any third party ("**Future Financing**"):

(a) for a period of 24 months from the Completion Date, any such Future Financing shall only be undertaken at a Pre-Money Valuation of Cool Farms of not less than RMB 128,000,000, regardless of the valuation methodology applied;

(b) for a period of 24 months from the Completion Date, no such Future Financing shall proceed unless the Company has obtained the prior written consent of the Company in the event that the Pre-Money Valuation of the Company for such Future Financing is less than RMB 128,000,000, regardless of the valuation methodology applied; and

(c) the Company shall be entitled to co-invest in the Future Financing according to the then Pre-Money Valuation of the Company.

"**Pre-Money Valuation**" means the valuation of Cool Farms prior to a financing transaction.

3.5 **Board Representation**

The Parties agree that the Company shall have the right to appoint and maintain in office (1) person as it may from time to time nominate as a director of the Company.

4. RATIONALE FOR THE PROPOSED SUBSCRIPTION

The Company proposes to invest in Cool Farms to foster potential collaboration in the expansion of research and development, assembly and production of hydroponic crop box-type modules, research and development and production of germplasm resources and nutrient solutions, chain development and management of smart vegetable factories in Asia and the Middle East which has a promising future and market demand. While Cool Farms' business activities are not directly related to the Company's core business, this investment presents a strategic opportunity to support food security in Singapore and explore growth prospects in the agri-tech industry.

5. FINANCIAL EFFECTS

5.1 Bases and Assumptions

The pro forma financial effects of the Proposed Subscription on the Group are set out below. The financial effects are shown for illustrative purposes only, and they do not necessarily reflect the exact future financial position and performance of the Group immediately after Completion and the fulfilment of certain conditions by Cool Farms in respect of the payment of the Second Tranche. The pro forma financial effects set out below have been presented using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2024 and the unaudited financial statements of Cool Farms Entities for the financial year ended 31 December 2024 ("**FY2024**") and on the following bases and key assumptions:

(a) the financial effects on the NTA attributable to the equity holders of the Group and the NTA per share are computed assuming that the Proposed Subscription was completed on 31 December 2024;

(b) the financial effects on the loss attributable to the equity holders of the Group and the loss per share ("**LPS**") are computed assuming that the Proposed Subscription was completed on 1 January 2024;

(c) the expenses incurred in connection with the Proposed Subscription are immaterial and have not been included in the computation of the financial effects.

5.2 Net tangible assets ("NTA") per share

On the bases and assumptions set out above, the pro forma effect of the Proposed Subscription on the NTA per Share of the Group is as follows:

	Before the Proposed Subscription	**After the Proposed Subscription**
NTA attributable to equity holders of the Company (S$'000)	45,986	45,986
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,780,861	1,780,861
NTA per Share (SGD cents)	2.58	2.58

5.3 Loss per share ("LPS")

On the bases and assumptions set out above, the pro forma effect of the Proposed Subscription on the LPS of the Group is as follows:

	Before the Proposed Subscription	**After the Proposed Subscription**
Profit attributable to equity holders of the Company (S$'000)	(200)	(200)

Weighted average number of ordinary shares (excluding treasury shares) ('000)	1,780,861	1,780,861
LPS (SGD cents)	(0.01)	(0.01)

The Cool Farms Entities only commenced operations in FY2025.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

6.1 Based on the latest unaudited consolidated accounts of the Group for the six months ended 30 June 2025 ("**HY2025**"), the relative figures computed on the basis set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") in respect of the Subscription are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable(1)
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits(2)	0.1(3)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.9(4)
(d)	The 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 (5)
(e)	The 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 and gas company, but not to an acquisition of such assets.	Not applicable (6)

Notes:

(1) Not applicable as the Proposed Subscription relates to an acquisition.

(2) Pursuant to Rule 1002(3) (b) of the Catalist Rules, "net profits" is defined as profits before income tax, minority interests, and extraordinary items.

(3) For completeness of information, net profits attributable to the Cool Farms Entities has been included the computation of the relative figure. Based on the net profit attributable to 13.5% equity interest in Cool Farms Holdings, which indirectly holds 100% of Cool Farms Jiangsu and 60% of Smart Plant Technology of approximately RMB 99,000 or S$18,000 for HY2025 and the net profit of the Group of approximately S$2,083,000 for HY2025.

(4) Based on the consideration of RMB 20,000,000 (approximately S$3,600,000) and the market capitalisation of approximately S$45,412,000 which is determined by multiplying the volume weighted average price of S$0.0255 on 13 November 2025, being the last full market day on which the shares of the Company were traded, preceding the date of the signing of the Subscription Agreement, with 1,780,860,561 shares in issue (excluding treasury shares).

(5) Not applicable as no equity securities is issued by the Company as consideration for the Proposed Subscription.

(6) Not applicable as the Company is not a mineral, oil and gas company.

6.2 As the computed relative figures under 1006(c) in the above table exceed 5% but does not exceed 75%, the Proposed Subscription is classified as a 'discloseable transaction' for the purposes of Chapter 10 of the Catalist Rules and therefore is not subject to the approval of the shareholders of the Company at a general meeting.

7. DIRECTORS OR CONTROLLING SHAREHOLDERS' INTEREST

None of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Proposed Subscription, other than through their respective shareholdings in the Company.

8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company's registered office at 60 Benoi Road, Singapore 629906, for three (3) months from the date of this announcement.

10. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as the Proposed Subscription is subject to certain conditions. There is no certainty or assurance that the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will keep shareholders updated on material developments on the Proposed Subscription as and when appropriate. In the meantime, 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 or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Tan Poh Guan
Executive Director and Chief Executive Officer
14 November 2025

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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