AF Global Limited

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

PROPOSED DISPOSAL OF INTERESTS IN KNIGHT FRANK PTE LTD

1. INTRODUCTION

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 Company intends to dispose of the entirety of its interests in Knight Frank Pte Ltd ("**KFSG**") to Knight Frank Asia Pacific Pte Ltd (the "**Buyer**"). Cheong Hock Chye & Co. (Pte.) Ltd. (the "**Seller**") is a wholly-owned subsidiary of the Company, through which the Company indirectly holds 550,000 ordinary shares in the share capital of KFSG, representing 55% of the issued and paid-up share capital of KFSG (the "**Sale Shares**"). The Buyer, a subsidiary of Knight Frank LLP ("**Knight Frank**") currently holds the remaining 450,000 ordinary shares of KFSG, representing the remaining 45% of the issued and paid-up share capital of KFSG.

In connection with the proposed sale of the Sale Shares, the Company and the Seller entered into a non-binding head of terms with Knight Frank (the "**HoT**"), pursuant to which the Company and the Seller granted Knight Frank exclusivity to conduct due diligence on KFSG and its subsidiaries and to evaluate the proposed acquisition of the Sale Shares at a consideration of S$36,888,888, subject to the results of their due diligence being satisfactory. Further to the terms of the HoT, Knight Frank paid the Seller an exclusivity fee of S$150,000 (the "**Exclusivity Fee**").

In furtherance of the proposed sale of the Sale Shares to the Buyer, the Seller has on 7 October 2025 entered into a sale and purchase agreement (the "**SPA**") with the Buyer. Subject to the terms of the SPA, the Seller will sell to the Buyer the Sale Shares (the "**Proposed Disposal**").

2. INFORMATION ON KFSG

KFSG. As at the date of this announcement (this "**Announcement**"), KFSG has a share capital of S$1,000,000. KFSG is jointly controlled by the Seller and the Buyer, with the Seller holding 55% of the issued shares of KFSG and the Buyer holding the remaining 45%.

KFSG is one of Singapore's leading real estate consultancy firms. KFSG and its subsidiaries Knight Frank Property & Facilities Management Pte Ltd and KF Property Network Pte Ltd (collectively "**KFSG Group**"), offer a comprehensive range of professional services covering residential, commercial and industrial markets. Their full suite of services includes leasing, auctions, investment sales, retail planning and consultancy, office advisory, property asset management, valuation and consultancy and research, as well as a team that actively markets overseas developments.

KFSG, Knight Frank Property & Facilities Management Pte Ltd and KF Property Network Pte Ltd are accounted as joint venture companies of the Company. Upon completion of the Proposed Disposal, the Company will cease to hold any interest in all of them and they will cease to be joint venture companies of the Company.

3. INFORMATION ON THE SELLER AND THE BUYER

3.1 The Seller. The Seller is a private limited company incorporated under the laws of Singapore and is a wholly-owned subsidiary of the Company. The principal activity of the Seller is investment holding. The Seller directly holds the Sale Shares which are proposed to be sold under the Proposed Disposal.

3.2 The Buyer. The Buyer is a subsidiary of Knight Frank. Knight Frank is a limited liability partnership registered in the United Kingdom. It was founded in 1896 and headquartered in London, United Kingdom, and is one of the world's leading independent real estate consultancies. KFSG is part of the Knight Frank global network, whose members are separate legal entities.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

4.1 Consideration. The consideration for the Proposed Disposal is S$36,888,888 (the "**Consideration**"), which will not be subject to any adjustment. The Consideration was arrived at after arm's length negotiations on a 'willing buyer willing seller' basis.

The Consideration shall be satisfied as follows:

(a) the Exclusivity Fee of S$150,000, which was paid by Knight Frank pursuant to the HoT;

(b) a deposit of S$3,538,888.80 (the "**Deposit**"), payable by the Buyer on 7 October 2025. The Company received documents from the Buyer showing that the Deposit was transferred to the Company with value date on 7 October 2025; and

(c) the balance S$33,199,999.20, which shall be payable by the Buyer on completion of the sale of the Sale Shares to the Buyer ("**Completion**").

4.2 Exclusivity Fee and Deposit. The Exclusivity Fee and the Deposit shall be returned to the Buyer in the event that the SPA is terminated:

(a) by mutual written agreement between the Buyer and the Seller;

(b) by the Buyer by written notice to the Seller if the Seller:

(i) fails to perform its obligations upon the Completion Date for the Proposed Disposal and further fails to do so after the Buyer defers such completion date;

(ii) breaches its warranties in any material respect; or

(iii) breaches any of its material obligations under the SPA provided that if any such breach or breaches are capable of being remedied, the Seller has first been afforded the opportunity to remedy such breach or breaches prior to the Completion Date to the Buyer's reasonable satisfaction and the breach or breaches remain un-remedied; or

(c) on the Long Stop Date if the Condition Precedent is not fulfilled or waived by such date.

4.3 Condition Precedent. Completion of the sale of the Sale Shares is conditional only upon the relevant resolutions being passed by shareholders of the Company (the "**Shareholders**") to approve the sale of the Proposed Disposal (the "**Condition Precedent**"). Unless the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") approves the Waiver (as defined below), the Company shall convene an extraordinary general meeting (an "**EGM**") in due course to seek such approval of the Shareholders. However, in the event that the Waiver is approved by the SGX-ST, the Seller shall waive the Condition Precedent under the SPA.

Aspial Corporation Limited and Mr Koh Wee Meng (the "**Undertaking Shareholders**") hold in aggregate approximately 72.6% voting rights of the Company. The Undertaking Shareholders are not related to the Buyer and the Proposed Disposal is not an interested person transaction. As such, the Undertaking Shareholders are entitled to vote in the EGM to approve the Proposed Transaction. The Undertaking Shareholders have on 7 October 2025 entered into irrevocable undertakings to the Company to vote in favour of any resolutions in the EGM to approve the Proposed Disposal (the "**Shareholders 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. Accordingly, it is expected that the Condition Precedent will be fulfilled in due course even if the Waiver is not approved by the SGX-ST, unless the Condition Precedent cannot be fulfilled by 31 March 2026, or such other date as mutually agreed by the Seller and the Buyer (the "**Long Stop Date**") for any reason.

4.4 **Completion Date.** Completion shall take place (i) seven (7) calendar days from the date the Seller waives the Condition Precedent, or (ii) if the Condition Precedent is not waived, seven (7) calendar days from the date on which the Condition Precedent is satisfied, or (iii) any other date as mutually agreed by the Buyer and the Seller in writing (the "**Completion Date**"). If the Buyer or Seller fails to comply with its obligations on Completion, the non-defaulting party may defer the Completion Date to another day being not less than five (5) but not more than 10 business days after the original Completion Date. The non-defaulting party shall have the right to terminate the SPA if the defaulting party still fails to perform its obligations on Completion on such new completion date.

4.5 **Non-compete and Non-solicitation.** Pursuant to the SPA, the Seller agreed with the Buyer that the Group will not, among others:

(a) carry on or be engaged, employed, concerned or otherwise interested in any business which competes directly or indirectly with certain products and services provided by KFSG Group (the "**Restricted Business**");

(b) solicit or endeavour to solicit orders or custom, or canvas business from any customer or prospective customer of KFSG Group in connection with the conduct of any Restricted Business:

(c) obtain or endeavour to obtain supplies from any supplier or prospective supplier of KFSG Group in connection with the conduct of any Restricted Business; or

(d) solicit or endeavour to solicit, interfere with or entice any employee of KFSG Group away from KFSG Group ,

for the period commencing on the Completion Date and ending on the date falling on the second anniversary of the Completion Date.

4.6 **Cessation of Use of Name.** With effect from the Completion Date, the Group shall, among others, immediately cease all use of the name "Knight Frank" and any name, mark, logo, trade dress, domain, handle or identifier that is identical to, incorporates, or is confusingly similar to Knight Frank. For the avoidance of doubt, such prohibition does not prevent the Group from making disclosures of its interests in KFSG Group prior to the Completion Date.

4.7 **Termination.** If the Condition Precedent is not satisfied or waived by the Long Stop Date, the SPA shall cease and be terminated (except in respect of provisions expressed to survive termination).

5. WAIVER APPLICATION

5.1 **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 of the SGX-ST (the "**Listing Manual**") for the Proposed Disposal to be made conditional upon approval of the Shareholders in a general meeting (the "**Waiver**"), provided that an EGM must be convened by the Company on or prior to 30 June 2026 (or such later date as may be approved by the SGX-ST) unless the proposed scheme of arrangement to privatise the Company (that has been jointly announced by the Company and AFG Investment Pte. Ltd. around the same time as this Announcement) (the "**Proposed Scheme of Arrangement**") is completed before 30 June 2026.

5.2 **Status of Waiver Application**. The Company will provide further updates on the status of the Waiver Application via separate announcements, including whether the Waiver Application is accepted or rejected, and if accepted, such disclosures as are required to comply with any conditions imposed by the SGX-ST.

6. RATIONALE FOR THE PROPOSAL AND USE OF PROCEEDS

6.1 **Rationale for the Proposed Disposal.** The Group's main business is in the hospitality sector, where it owns one hotel in Thailand, and two serviced residences in Vietnam and Laos (the "**Hospitality Business**"). The KFSG Group is a legacy investment from the Company's previous controlling shareholder, when the Company was then known and listed as L.C. Development Ltd., and is engaged in the business of providing professional services as described in Section 2 above. Such professional services business is unrelated and in addition to the Hospitality Business and therefore not considered part of the main business of the Group. Furthermore, although the Company indirectly holds a majority 55% interest in KFSG, the Group is not involved in the operations of KFSG Group, which are run separately and independently by their own management.

KFSG is part of the Knight Frank global network, whose members are separate legal entities and is licensed by Knight Frank to operate using the trade name "Knight Frank" in Singapore. The Proposed Disposal is therefore a sale back to the Knight Frank of all interests not already owned by it, and upon completion will allow Knight Frank to fully consolidate their operations in Singapore. The Proposed Disposal therefore provides the Company with a definitive exit from such a legacy investment together with the opportunity to monetise its investment in KFSG at a gain to its book value, which will help strengthen the Group's financial position.

6.2 **Use of Proceeds.** In view of the Proposed Scheme of Arrangement, the Company would like to inform that:

(a) pursuant to Rule 5 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Board must not take any action without the approval of Shareholders in a general meeting, on the affairs of the Company that could effectively result in an offer being frustrated or the Shareholders being denied an opportunity to decide on its merits. Such actions include but are not limited to selling, disposing of or acquiring or agreeing to sell, disposing of or acquiring assets of material amount; and

(b) pursuant to an implementation agreement dated 7 October 2025 (the "**IA**") entered into between the Company and AFG Investment Pte. Ltd. (the "**Offeror**"), the Proposed Scheme of Arrangement is conditional upon, among others, certain prescribed events not occurring in respect to the Group. Such prescribed events include the Group taking any action to make any form of dividend or distribution to Shareholders.

Accordingly, although the Offeror has agreed to the undertaking of the Proposed Disposal by the Company, the Company is currently unable to determine any specific use of the proceeds from the Proposed Disposal nor consider any dividend or distribution pending the outcome of the Proposed Scheme of Arrangement, in compliance with the Code and the IA. 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. Pending the deployment, the net proceeds of the Proposed Disposal may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the Company may, in its absolute discretion, deem fit.

In the event that the Proposed Scheme of Arrangement fails to complete for any reason, the Company shall make further assessments and make further announcements if needed to provide an update on the use of the net proceeds of the Proposed Disposal.

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 are as follows:

Rule 1006	Bases	Proposed Disposal (S$'000)	Group (S$'000)	Relative Figures (%)
(a)	Net asset value of the Sale Shares to be disposed of, compared with the net asset value of the Group	33,326[(1), (2)]	208,116[(1)]	16.01
(b)	Net profit (before income tax, minority interests and extraordinary items) attributable to the Sale Shares to be disposed of, compared with the Group's net profits (before income tax, minority interests and extraordinary items)	1,024[(1),(3)]	4,838[(1)]	21.17
(c)	Aggregate value of the Consideration compared with the market capitalisation of the Company (based on the total number of issued shares excluding treasury shares)	36,889	101,342[(4)]	36.40

Notes:

(1) Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025.

(2) Based on the book value of the Group's investment in KFSG of S$33,326,000 as at 30 June 2025.

(3) Computed based on net profit (before income tax, minority interests and extraordinary items) attributable to KFSG proposed to be sold to the Buyer of approximately S$1,024,000.

(4) 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$0.096 of each share of the Company transacted on 6 October 2025.

As the relative figures computed based on Rule 1006(b) and 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.

8. FINANCIAL INFORMATION

8.1 **Book Value and Net Tangible Asset Value.** Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 ("**1H2025**", and such unaudited consolidated financial statements of the Group for 1H2025, the "**1H2025 Financial Statements**"), the book value and net tangible asset value ("**NTA**") of the Sale Shares is approximately S$33,326,000.

8.2 **Excess of Consideration over book value of the Sale Shares.** Based on the book value of the Sale Shares as set out in paragraph 8.1 of this Announcement, the amount of excess of the Consideration above the said book value is approximately S$3,563,000 as well as the loss on realisation of the Group's share of KFSG Group's currency reserve, and after considering the estimated costs and expenses related to the Proposed Disposal, the estimated gain arising from the Proposed Disposal is approximately S$3,435,000.

8.3 **Net Profit attributable to the Sale Shares.** Based on the 1H2025 Financial Statements, the net profit (before income tax, minority interests and extraordinary items) attributable to the Sale Shares for 1H2025 is approximately S$1,024,000.

9. FINANCIAL EFFECTS

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

9.1 **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 2024 (the "**Audited FY24 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.

9.2 **EPS.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2024[1], the pro forma financial effects on the EPS of the Group for financial year ended 31 December 2024 ("**FY2024**") based on the Audited FY24 FS are as follows:

	Audited	**Pro Forma**
	For the financial year ended 31 December 2024	
	Without the Proposed Disposal	**Assuming the Proposed Disposal**
Loss after tax and non-controlling interests (S$'000)	(2,648)	(62)(1)
Loss per Share (in Singapore cents)	(0.25)	(0.01)

Note:
(1) The pro forma loss after tax and non-controlling interests is derived by:
   (a) deducting S$849,000 from the audited loss after tax and non-controlling interests, as the Group will no longer recognise the net profit attributable to KFSG Group for FY2024; and
   (b) adding the estimated gain arising from the Proposed Disposal of approximately $3,435,000.

[1] Rule 1010(9) of the Listing Manual provides that the effect of the Proposed Disposal on the EPS of the Group for the most recently completed financial year (i.e. FY2024) shall be disclosed, assuming that the transaction had been effected at the beginning of that financial year (i.e. 1 January 2024).

9.3 **NTA.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2024[2], the pro forma financial effects on the consolidated NTA of the Group as at 31 December 2024 based on the Audited FY24 FS are as follows:

	Audited	Pro Forma
	As at 31 December 2024	
	Without the Proposed Disposal	Assuming the Proposed Disposal
Net Assets attributable to shareholders (S$'000)	152,308	155,841(1)
Less: Intangibles (S$'000)	14	14
NTA (S$'000)	152,294	155,827
Number of Shares	1,055,639,464	1,055,639,464
NTA per Share (in Singapore cents)	14.43	14.76

Note :
(1) The pro forma NTA attributable to shareholders is derived by:
   (a) adding the estimated gain arising from the Proposed Disposal of approximately $3,435,000; and
   (b) adding the loss on realisation of the Group's share of KFSG Group's currency reserve of approximately $98,000 which does not impact NTA.

9.4 **NAV.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2024[3], the pro forma financial effects on the consolidated NAV of the Group as at 31 December 2024 based on the Audited FY24 FS are as follows:

	Audited	Pro Forma
	As at 31 December 2024	
	Without the Proposed Disposal	Assuming the Proposed Disposal
Net Assets attributable to shareholders (S$'000)	152,308	155,841(1)
Number of Shares	1,055,639,464	1,055,639,464
NAV per Share (in Singapore cents)	14.43	14.76

Note :
(1) The pro forma NAV attributable to shareholders is derived by:
   (a) adding the estimated gain arising from the Proposed Disposal of approximately $3,435,000; and
   (b) adding the loss on realisation of the Group's share of KFSG Group's currency reserve of approximately $98,000 which does not impact NAV.

[2] Rule 1010(8) of the Listing Manual provides that the effect of the Proposed Disposal on the NTA of the Group for the most recently completed financial year (i.e. FY2024) shall be disclosed, assuming that the transaction had been effected at the end of that financial year (i.e. 31 December 2024).

[3] Please see footnote 2 above. The Company is also disclosing the effect of the Proposed Disposal on the NAV of the Group for the most recently completed financial year (i.e. FY2024), assuming that the transaction had been effected at the end of that financial year (i.e. 31 December 2024). The difference between the NAV and NTA is that the NTA exclude intangibles, which are not material (approximately S$14,000).

10. FURTHER INFORMATION

10.1 **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.

10.2 **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.

10.3 **Documents for Inspection.** A copy of the SPA is 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.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

8 October 2025