



AF Global Limited

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

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

1. INTRODUCTION

The Board of Directors (the **"Board"** or the **"Directors"**) of AF Global Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to:

- (a) the joint announcement dated 8 October 2025 (the **"Joint Announcement"**) made by the Company and AFG Investment Pte. Ltd. (the **"Offeror"**) in relation to the proposed acquisition of all the issued ordinary shares in the capital of the Company (the **"Shares"**) by the Offeror, other than the Shares directly held by Aspial Corporation Limited and Mr Koh Wee Meng, by way of a scheme of arrangement (the **"Scheme"**) in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers (the **"Code"**);
- (b) the announcements dated 5 September 2025, 24 November 2025 and 26 December 2025 (the **"Previous Xuzhou Announcements"**) made by the Company and the disclosures in the Company's results announcement dated 8 August 2025 for the half-year ended 30 June 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;
- (c) the announcement dated 15 January 2026 made by the Company in relation to the despatch of the scheme document dated 15 January 2026 (the **"Scheme Document"**) and related information and documents included therein (including the notice of scheme meeting dated 15 January 2026 published in The Straits Times on 15 January 2026), as well as the proposed waiver of Rule 705(1) of the listing manual (the **"Listing Manual"**) of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**); and
- (d) the announcement dated 21 January 2026 (the **"21 January Company Announcement"**) made by the Company in relation to the entry by the Company's wholly-owned subsidiary, L.C. Logistics Pte Ltd (**"LCPL"**, which holds 55% equity interest in XZYJLC), into a compulsory liquidation resolution agreement dated 17 January 2026 (the **"Compulsory Liquidation Resolution Agreement"**) with the Group's joint venture partner of XZYJLC which holds the remaining 45% equity interests in XZYJLC (the **"JV Partner"**). A copy of the 21 January Company Announcement is appended to Appendix A herein.

Unless otherwise specified, all currency translations of Chinese Renminbi (**"RMB"**) to Singapore Dollars (**"S\$"**) in this announcement (**"Announcement"**) shall be based on an exchange rate of RMB100.00:S\$18.48, being the daily exchange rate published by the Monetary Authority of Singapore as at 16 January 2026, being the latest practicable date prior to the release of the 21 January Company Announcement (the **"LPD Exchange Rate"**).

Unless otherwise defined, capitalised terms in this Announcement shall have the same meanings as set out in the 21 January Company Announcement.

2. UPDATES ON THE XUZHOU INVESTMENT

- 2.1 Background.** On 21 January 2026, the Company updated shareholders of the Company (“**Shareholders**”) on developments in relation to the ongoing compulsory liquidation of XZYJLC. It was announced in the 21 January Company Announcement that LCLPL had entered into the Compulsory Liquidation Resolution Agreement dated 17 January 2026, pursuant to which LCLPL will transfer its shares in XZYJLC (representing 55% equity interests) (the “**Resolution Shares**”) to the JV Partner (the “**Resolution Disposal**”) for a consideration of RMB142 million (approximately S\$26.24 million) (the “**Original Consideration**”). It was also disclosed in paragraph 2.3 of the 21 January Company Announcement that the Resolution Disposal remains subject to various agreements to be entered into by LCLPL, including the Relevant Transaction Agreements.

For the avoidance of doubt, disclosures in the 21 January Company Announcement continue to be applicable, except that the additional XZRES Disposal (as defined below) will now be undertaken in addition to the Resolution Disposal. Accordingly, the Company is making this Announcement to (i) provide updates to the agreements entered into by the Group in connection with the compulsory liquidation of XZYJLC; (ii) provide information regarding the XZRES Disposal; and (iii) update the information required for disclosure under Chapter 10 of the Listing Manual due to an additional RMB5.0 million (approximately S\$0.92 million) in consideration which the Group will receive in connection with the additional XZRES Disposal. Please note that the information in the 21 January Company Announcement continues to be applicable in respect of the Resolution Disposal, and the disclosures thereunder remain accurate to the extent not addressed in this Announcement. Accordingly, the disclosures relating to the Relevant Assets Write-down continue to be applicable.

2.2 Relevant Transaction Agreements

The Board wishes to update Shareholders that LCLPL has on 6 February 2026 entered into the following Relevant Transaction Agreements:

- (a) an equity transfer agreement dated 6 February 2026 with the JV Partner and XZYJLC for the transfer of the Resolution Shares to the JV Partner in consideration of the Original Consideration (the “**Equity Transfer Agreement**”);
- (b) a creditor’s rights transfer agreement dated 6 February 2026 with the JV Partner and XZYJLC for the assignment of the XZYJLC Debt to LCLPL (the “**Creditor’s Rights Transfer Agreement**”); and
- (c) an assets-for-debt settlement agreement dated 6 February 2026 with the JV Partner and XZYJLC for the Asset Repayment involving the transfer of the ownership titles of the Relevant Assets from XZYJLC to a wholly-owned subsidiary of the Company incorporated under the laws of the PRC (the “**Group PRC Holdco**”).

- 2.3 Other Agreements.** In addition to the Relevant Transaction Agreements, the following agreements have also been entered into by the relevant parties (the “**Additional Agreements**”, and together with the Relevant Transaction Agreements, the “**Definitive Implementation Agreements**”):

- (a) a memorandum dated 6 February 2026 between XZRES, Hillgate Investment Pte Ltd (“**Hillgate**”) and Beijing Sancai Investment Co., Ltd. (北京三才投资有限公司) (“**Beijing Sancai**”), an affiliate of the JV Partner, regarding the proposed transfer of the Group’s equity interests in XZRES to the JV Partner (the “**XZRES Memorandum**”). Hillgate is a wholly-owned subsidiary of the Group which holds the 55% interest XZRES, with the JV Partner holding the remaining 45%;
- (b) a memorandum dated 6 February 2026 between LCLPL, the JV Partner and XZYJLC pursuant to which the parties thereto agreed, among others, that between the date of transfer of the Resolution Shares from LCLPL to the JV Partner and the date of completion of the transfer of the Relevant Assets from XZYJLC to the Group PRC Holdco, any income during the aforementioned period shall be owned by XZYJLC (including but not limited to the interest, rental income, interest income generated from bank deposits, accounts receivable collection payments, and cost expenses generated from all assets owned by XZYJLC) and any expenses shall be borne by XZYJLC;
- (c) a memorandum dated 6 February 2026 between LCLPL, the JV Partner and XZYJLC, pursuant to which the parties thereto agreed, among others, that LCLPL shall be responsible for taxes as transferee (via the Group PRC Holdco) of the Relevant Assets, and shall not be responsible for any tax or fees applicable to XZYJLC as the transferor of the Relevant Assets or the transfer by the JV Partner of the XZYJLC Debt to LCLPL; and

- (d) a declaration and undertaking letter dated 6 February 2026 from LCLPL to the relevant court in the PRC having oversight of the liquidation of XZYJLC (the “**PRC Court**”), the JV Partner and XZYJLC (the “**LCLPL Undertaking**”).

As disclosed in paragraph 2.1(e) of the 21 January Company Announcement, as part of the Resolution Disposal, it was proposed that XZYJLC shall pay XZRES the XZRES Settlement Amount in settlement of the debt owed by XZYJLC to XZRES, and XZRES would use the XZRES Settlement Amount to pay various expenses and taxes incurred by XZRES. Further to discussions with the JV Partner and the Liquidator during the negotiations of the Relevant Transaction Agreements, it was decided that the joint venture between the Group and the JV Partner in XZRES should be finally determined as part of the liquidation of XZYJLC, and the parties agreed that in addition to the Resolution Disposal, Hillgate shall transfer its 55% equity interest in XZRES to the JV Partner for a consideration of RMB5.0 million (approximately S\$0.92 million) (the “**XZRES Disposal**”, and together with the Resolution Disposal, the “**Xuzhou Disposals**”).

Pursuant to the LCLPL Undertaking, LCLPL agrees and undertakes that upon completion of the transfer of the Resolution Shares to the JV Partner, LCLPL and its affiliates, successors, assignees, employees and representatives irrevocably waive, exempt and release the JV Partner, XZYJLC and their respective affiliates, managers and directors from any and all known or unknown disputes, claims (whether arising from contracts, breach of LCLPL’s rights, law or any other reasons) arising from or related to the establishment, existence, operation management, liquidation or equity transfer of XZYJLC.

The JV Partner has also executed a declaration and undertaking letter dated 6 February 2026 (the “**JV Partner Undertaking**”) to the PRC Court, XZYJLC and LCLPL under which the JV Partner agrees and undertakes that upon completion of the transfer of the Resolution Shares, the JV Partner and its affiliates, successors, assignees, employees and representatives irrevocably waive, exempt and release LCLPL, XZYJLC and their respective affiliates, managers and directors from any and all known or unknown disputes, claims (whether arising from contracts, breach of the JV Partner’s rights, law or any other reasons) arising from or related to the establishment, existence, operation management, liquidation or equity transfer of XZYJLC.

3. PRINCIPAL TERMS OF THE XUZHOU DISPOSALS

3.1 Original Consideration. Pursuant to the Equity Transfer Agreement and as disclosed in the 21 January Company Announcement, LCLPL shall transfer the Resolution Shares to the JV Partner for the Original Consideration, being RMB142 million (approximately S\$26.24 million), comprising:

- (a) RMB44.99 million (approximately S\$8.31 million) payable by the JV Partner to LCLPL in cash (the “**Resolution Shares Cash Consideration**”); and
- (b) the balance RMB97.01 million (approximately S\$17.93 million) shall be satisfied by the assignment of the XZYJLC Debt to LCLPL.

3.2 XZRES Consideration. Pursuant to the XZRES Memorandum, in addition to the transfer of the Resolution Shares by LCLPL, Hillgate shall transfer its shares in XZRES (representing 55% equity interests) (the “**XZRES Shares**”, and together with the Resolution Shares, the “**Disposal Shares**”) to the JV Partner for a consideration of RMB5.0 million (approximately S\$0.92 million) (the “**XZRES Consideration**”).

3.3 Aggregate Consideration. Pursuant to the Equity Transfer Agreement and the XZRES Memorandum, the aggregate consideration for the Xuzhou Disposals is RMB147.0 million (approximately S\$27.17 million) (the “**Aggregate Consideration**”), comprising the Original Consideration and the XZRES Consideration.

For the avoidance of doubt, the Group will effectively be paid RMB49.99 million (approximately S\$9.24 million) in cash (comprising the Resolution Shares Cash Consideration and the XZRES Consideration), and have the ownership titles to the Relevant Assets transferred to the Group upon completion of the Xuzhou Disposals, in exchange for the transfer of the Resolution Shares to the JV Partner and the transfer of the XZRES Shares to Beijing Sancai.

3.4 Transfer of the XZYJLC Debt. Pursuant to the Creditor’s Rights Transfer Agreement, the JV Partner shall transfer to LCLPL the XZYJLC Debt, which is part of the amounts owed by XZYJLC to the JV Partner.

3.5 Long-stop to the XZRES Disposal. The XZRES Memorandum provides that the XZRES Disposal shall be completed only if the transfer of the Resolution Shares to the JV Partner pursuant to the Equity Transfer Agreement is completed before 30 June 2026. Accordingly, if the Resolution Disposal is not completed by 30 June 2026, the XZRES Disposal will not take place unless otherwise agreed between XZRES, Hillgate and Beijing Sancai.

3.6 Effective Date. Each of the Relevant Transaction Agreements contains a provision that the agreements shall be effective only after they have been duly executed, and the Company has obtained Shareholders' approval of the Xuzhou Disposals in an extraordinary general meeting, or in the absence of such Shareholders' approval, the waiver by the SGX-ST of the relevant rules under the Listing Manual to obtain Shareholders' approval of the Xuzhou Disposals (the "**Condition**"). See paragraph 6 below for information of the Company's application to the SGX-ST for a waiver of Rule 1014(2) of the Listing Manual. LCLPL and Hillgate shall notify the counterparties to the relevant Relevant Transaction Agreements when the Condition is satisfied and the Definitive Implementation Agreements become effective (the date of such notification, the "**Effective Date**"). Prior to the satisfaction of the Condition, the Definitive Implementation Agreements are not considered effective, and no party to the agreements shall have any obligation or liability thereunder.

3.7 Completion. Pursuant to the Relevant Transaction Agreements and the XZRES Memorandum:

- (a) within 15 business days in the PRC ("**PRC Business Days**") from the Effective Date, LCLPL shall deliver to the Liquidator the relevant documentation required for the transfer of the Resolution Shares and the relevant documentation for the discontinuation of all legal proceedings against the JV Partner;
- (b) within 15 PRC Business Days from the Effective Date and upon the receipt by the Liquidator of the relevant documentation in paragraph 3.7(a) above, the JV Partner shall make payment of the Resolution Shares Cash Consideration to the Liquidator;
- (c) within 15 PRC Business Days from the Effective Date, Hillgate shall prepare the relevant transfer documents for the transfer of the XZRES Shares to Beijing Sancai, and upon completion of the filing procedures with the relevant PRC authorities for the transfer of the XZRES Shares to Beijing Sancai, XZRES, Hillgate and Beijing Sancai will notify the Liquidator to pay the XZRES Consideration (out of the XZRES Settlement Amount) to Hillgate (or its designated subsidiary of the Company), and the balance (after deducting the XZRES Consideration) of the XZRES Settlement Amount shall be paid to XZRES in accordance with the Compulsory Liquidation Resolution Agreement;
- (d) on the Effective Date, the Liquidator shall deliver copies of all documents evidencing relevant debts owed by XZYJLC to the JV Partner and the XZYJLC Debt shall be transferred to LCLPL; and
- (e) upon the receipt by the Liquidator of the relevant documentation in paragraph 3.7(a) and the Resolution Shares Cash Consideration from the JV Partner, the Liquidator shall commence procedures to transfer the ownership of the Relevant Assets, free from encumbrances, to the Group PRC Holdco, and upon completion of the transfer of the ownership of the Relevant Assets to the Group PRC Holdco, the Liquidator will release the Resolution Shares Cash Consideration to LCLPL, as transferor of the Resolution Shares.

3.8 Termination. Each of Relevant Transaction Agreements provides that if LCLPL or the JV Partner fails to perform their obligations in a timely manner or otherwise breaches their obligations under the Compulsory Liquidation Resolution Agreement, the Relevant Transaction Agreements, the LCLPL Undertaking or the JV Partner Undertaking (as applicable), the Liquidator may terminate the arrangements on the Resolution Disposal, and may revert back to the prior arrangement of liquidating the assets of XZYJLC by way of public auctions.

4. RATIONALE FOR THE XUZHOU DISPOSALS AND USE OF PROCEEDS

4.1 Rationale for the Xuzhou Disposals. The rationale for the Resolution Disposal was disclosed in paragraph 5 of the 21 January Company Announcement. The XZRES Disposal was proposed to be undertaken in conjunction with the Resolution Disposal as XZRES currently does not have any significant business operations as its main business is to market the real estate components of Gulou Square owned by XZYJLC. However, as XZYJLC is under a court-ordered compulsory liquidation, XZRES has not been able to continue marketing the real estate components owned by XZYJLC. Accordingly, the XZRES Disposal will, among others, allow the Group to expeditiously exit its joint venture with the JV Partner's affiliate in XZRES and avoid uncertainties in exploring other ways to realise its investment in XZRES.

4.2 Use of Proceeds.

In view of the Scheme, the Company would like to inform that:

- (a) pursuant to Rule 5 of 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 8 October 2025 (the “IA”) entered into between the Company and the Offeror, the Scheme 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 Xuzhou Disposals by the Company, the Company is currently unable to determine any specific use of the proceeds from the Xuzhou Disposals (other than for general corporate purposes) nor consider any dividend or distribution pending the outcome of the Scheme, in compliance with the Code and the IA.

The net proceeds from the Xuzhou Disposals are expected to be:

- (a) S\$20.31 million, **if the Company does not recognise the Relevant Assets Write-down upon completion of the Xuzhou Disposals.** This is after the deduction of S\$6.86 million, being commissions, taxes, legal fees and other expenses to be incurred in connection with the Xuzhou Disposals, from the Aggregate Consideration of S\$27.17 million; or
- (b) S\$17.56 million, **if the Company recognises the Relevant Assets Write-down upon completion of the Xuzhou Disposals.** This is after the deduction of the following items from the Aggregate Consideration of S\$27.17 million:
 - (i) S\$2.99 million, representing 10% of the fair value of the Relevant Assets, to be written down upon completion of the Xuzhou Disposals; and
 - (ii) S\$6.62 million, being commissions, taxes, legal fees and other expenses to be incurred in connection with the Xuzhou Disposals.

Shareholders should note that the Group will only receive RMB49.99 million (approximately S\$9.24 million) in cash, being the cash component of the Aggregate Consideration. Any repatriation of cash out of China will be subject to foreign exchange controls, and the time required to obtain relevant approvals from the PRC authorities is uncertain. Further, as disclosed in paragraph 2 of the 21 January Company Announcement, the Group will receive the Relevant Assets based on a valuation of RMB97.01 million (approximately S\$17.93 million) as part of the Aggregate Consideration, which is at 60% of (or a discount of 40% to) their fair value. There is no certainty that the Group will be able to dispose of the Relevant Assets at or above such valuation, and when the Group will be able to do so. The Company may recognise the Relevant Assets Write-down and associated costs incurred in connection with the Xuzhou Disposals amounting to approximately S\$9.61 million upon completion of the Xuzhou Disposals.

Pending deployment, the net proceeds of the Xuzhou Disposals 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 Scheme 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 Xuzhou Disposals.

5. MAJOR TRANSACTION

5.1 Major Transaction.

The relative figures in relation to the Xuzhou Disposals computed on the applicable bases set out in Rule 1006 of the Listing Manual (“**Rule 1006**”) are as follows:

Rule 1006	Bases	Xuzhou Disposals (S\$'000)	Group (S\$'000)	Relative Figures (%)
(a)	Net asset value of the Disposal Shares to be disposed of, compared with the net asset value of the Group	36,782 ^{(1), (2)}	208,116 ⁽¹⁾	17.67
(b)	Net profit (before income tax, minority interests and extraordinary items) attributable to the Disposal Shares to be disposed of, compared with the Group's net profits (before income tax, minority interests and extraordinary items)	N.A. ⁽³⁾	4,838 ⁽¹⁾	N.A. ⁽³⁾
(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)	27,166 ⁽⁴⁾	115,065 ⁽⁵⁾	23.61

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 Xuzhou investment of S\$36,782,000 as at 30 June 2025.
- (3) The Xuzhou Investment is measured at fair value through other comprehensive income in accordance with Singapore Financial Reporting Standards (International) 9 *Financial Instruments*. Therefore, fair value movements are not included in the Group's net profit.
- (4) The Aggregate Consideration is calculated based on the LPD Exchange Rate.
- (5) The Company's market capitalisation is based on 1,055,639,464 Shares multiplied by the weighted average price of S\$0.109 of each Share transacted on 16 January 2026, being the latest date prior to the entry into the Compulsory Liquidation Resolution Agreement.

As the relative figure computed based on Rule 1006(c) of the Listing Manual exceeds 20%, the Xuzhou Disposals constitute a "major transaction" for the Company under Chapter 10 of the Listing Manual. Accordingly, unless the Rule 1014(2) Waiver (as defined in paragraph 6 below) is granted by the SGX-ST, the Xuzhou Disposals will require the approval of Shareholders at an EGM for the purpose of approving the Xuzhou Disposals in accordance with Rule 1014(2) of the Listing Manual.

6. APPLICATION FOR WAIVER OF RULE 1014(2) OF THE LISTING MANUAL

6.1 Application for waiver of Rule 1014(2). As the Resolution Disposal is part of the compulsory liquidation process ordered by the PRC Court and administered by the Liquidator which is appointed by the PRC Court and the XZRES Disposal is undertaken so that the Group and the JV Partner can expeditiously exit their joint venture in XZRES which was formed in connection with the same investment in Gulou Square, it is different from disposals occurring as part of business operations, whether in the ordinary course of business or otherwise. Prior to the date of this Announcement, the Company submitted a waiver application to the SGX-ST (the "**Waiver Application**") for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Resolution Disposal to be made conditional upon approval of the Shareholders of the Company in a general meeting (the "**Rule 1014(2) Waiver**"). Given the development disclosed in this Announcement and the change of the Resolution Disposal to include the XZRES Disposal, the Company will be submitting updates to its Waiver Application to the SGX-ST to modify the Rule 1014(2) Waiver being sought to also apply to the Xuzhou Disposals. In the event that the Rule 1014(2) Waiver is not granted by the SGX-ST, the Company will be required to convene an EGM to approve the Xuzhou Disposals.

6.2 Voting Undertaking. As stated in paragraph 4.2 of the 21 January Company Announcement, each of Aspiat Corporation Limited and Mr Koh Wee Meng, who in aggregate hold approximately 72.6% of the voting rights in the Company, have confirmed to the Company that they intend to provide the Shareholder Undertakings, if an EGM is held.

7. FINANCIAL INFORMATION

7.1 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, the book value and net tangible asset value ("**NTA**") of the Disposal Shares is approximately S\$36.78 million.

7.2 Deficit of Aggregate Consideration below book value of the Disposal Shares. Based on the book value of the Disposal Shares as set out in paragraph 7.1 of this Announcement, the amount of deficit of the Aggregate Consideration below the said book value is approximately S\$9.62 million.

7.3 Net Loss attributable to the Disposal Shares. Based on the book value of the Disposal Shares as set out in paragraph 7.1 of this Announcement, and after considering (i) the estimated taxes payable to the tax authorities in the PRC; and (ii) the estimated costs and expenses related to the Xuzhou Disposals, the estimated net loss attributable to the Xuzhou Disposals is approximately S\$16.41 million, comprising S\$14.13 million of fair value loss and S\$2.28 million accounted as expenses in the profit or loss of the Group. The fair value loss of S\$14.13 million will be recognised in other comprehensive income and will not be recycled to profit or loss on disposal, meaning the net asset value will be affected but not the Group's earnings.

8. FINANCIAL EFFECTS

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

8.1 Bases and Assumptions. The pro forma financial effects for the Xuzhou Disposals 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 Xuzhou Disposals. As the Group completed the disposal of Knight Frank Pte Ltd and its subsidiaries (the "**KF Disposal**") on 17 October 2025, the pro forma financial effects set out in this paragraph 8 also take into account the effects of the KF Disposal as disclosed in the Company's announcement dated 8 October 2025 titled "Proposed Disposal of Interests in Knight Frank Pte Ltd".

8.2 EPS. For illustrative purposes only and assuming that the Xuzhou Disposal had been completed on 1 January 2024¹, the pro forma financial effects on the EPS of the Group for the 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 KF Disposal and the Xuzhou Disposals	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Xuzhou Disposals
Loss after tax and non-controlling interests (S\$'000)	(2,648)	(62)	(2,346) ^{(2),(3)}
Loss per Share (in Singapore cents)	(0.25)	(0.01)	(0.22) ⁽³⁾

Notes:

- (1) As disclosed in the Company's announcement dated 8 October 2025 titled "Proposed Disposal of Interests in Knight Frank Pte Ltd".
- (2) The pro forma loss after tax and non-controlling interests is derived by adding the estimated loss arising from the Xuzhou Disposals of approximately S\$2,284,000, which is accounted as expenses in the profit or loss of the Group.
- (3) Assuming the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Xuzhou Disposals will be approximately S\$19,166,000, comprising S\$17,121,000 of fair value loss, and S\$2,045,000 accounted as expenses in the profit or loss of the Group. If the KF Disposal and the Xuzhou Disposals are both completed, the loss after tax and non-controlling interests will be S\$2,107,000, and the loss per Share will be 0.20 Singapore cents.

¹ Rule 1010(9) of the Listing Manual provides that the effect of the Xuzhou 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).

- 8.3 NTA.** For illustrative purposes only and assuming that the Xuzhou Disposals had been completed on 31 December 2024², 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 KF Disposal and the Xuzhou Disposals	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Xuzhou Disposals
Net Assets attributable to Shareholders (S\$'000)	152,308	155,841	139,424 ^{(2),(3)}
Less: Intangibles (S\$'000)	14	14	14
NTA (S\$'000)	152,294	155,827	139,410 ⁽³⁾
Number of Shares	1,055,639,464	1,055,639,464	1,055,639,464
NTA per Share (in Singapore cents)	14.43	14.76	13.21 ⁽³⁾

Notes:

- (1) As disclosed in the Company's announcement dated 8 October 2025 titled "Proposed Disposal of Interests in Knight Frank Pte Ltd".
- (2) The pro forma NTA attributable to Shareholders is derived by deducting the estimated net loss attributable to the Xuzhou Disposals of approximately S\$16,417,000.
- (3) Assuming the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Xuzhou Disposals will be approximately S\$19,166,000. If the KF Disposal and the Xuzhou Disposal are both completed, the net assets attributable to Shareholders will be S\$136,675,000, the NTA will be S\$136,661,000 and the NTA per Share will be 12.95 Singapore cents.

- 8.4 NAV.** For illustrative purposes only and assuming that the Xuzhou Disposals had been completed on 31 December 2024³, 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 KF Disposal and the Xuzhou Disposals	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Xuzhou Disposals
Net Assets attributable to Shareholders (S\$'000)	152,308	155,841	139,424 ^{(2),(3)}
Number of Shares	1,055,639,464	1,055,639,464	1,055,639,464
NAV per Share (in Singapore cents)	14.43	14.76	13.21 ⁽³⁾

Notes:

- (1) As disclosed in the Company's announcement dated 8 October 2025 titled "Proposed Disposal of Interests in Knight Frank Pte Ltd".
- (2) The pro forma NAV attributable to Shareholders is derived by deducting the estimated net loss attributable to the Xuzhou Disposals of approximately S\$16,417,000.
- (3) Assuming that the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Xuzhou Disposals will be approximately S\$19,166,000. If the KF Disposal and the Resolution Disposal are both completed, the net assets attributable to Shareholders will be S\$136,675,000 and the NAV per Share will be 12.95 Singapore cents.

² Rule 1010(8) of the Listing Manual provides that the effect of the Xuzhou 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 Xuzhou 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).

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 Shareholder Undertakings, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Xuzhou Disposals.
- 9.2 Directors' Service Contracts.** No person is proposed to be appointed as a Director in connection with the Xuzhou Disposals. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 9.3 Documents for Inspection.** A copy of each of the Compulsory Liquidation Resolution Agreement and the Definitive Implementation Agreements 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.

10. RESPONSIBILITY STATEMENT

The Directors of the Company (including any who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement which relate to the Company (excluding information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The Directors jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

9 February 2026

APPENDIX A

21 January Company Announcement



AF Global Limited

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

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

1. INTRODUCTION

The Board of Directors (the **"Board"**) of AF Global Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to:

- (a) the joint announcement dated 8 October 2025 (the **"Joint Announcement"**) made by the Company and AFG Investment Pte. Ltd. (the **"Offeror"**) in relation to the proposed acquisition of all the issued ordinary shares in the capital of the Company (the **"Shares"**) by the Offeror, other than the Shares directly held by Aspial Corporation Limited and Mr Koh Wee Meng, by way of a scheme of arrangement (the **"Scheme"**) in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers (the **"Code"**);
- (b) the announcements dated 5 September 2025, 24 November 2025 and 26 December 2025 (the **"Previous Xuzhou Announcements"**) 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; and
- (c) the announcement dated 15 January 2026 in relation to the despatch of the scheme document dated 15 January 2026 (the **"Scheme Document"**) and related information and documents included therein (including the notice of scheme meeting dated 15 January 2026 published in The Straits Times on 15 January 2026), as well as the proposed waiver of Rule 705(1) of the listing manual (the **"Listing Manual"**) of Singapore Exchange Securities Trading Limited (the **"SGX-ST"**).

Unless otherwise specified, all currency translations of Chinese Renminbi (**"RMB"**) to Singapore Dollars (**"S\$"**) in this announcement (**"Announcement"**) shall be based on an exchange rate of RMB100.00:S\$18.48, being the daily exchange rate published by the Monetary Authority of Singapore as at 16 January 2026 (the **"LPD Exchange Rate"**).

2. UPDATES ON THE XUZHOU INVESTMENT

- 2.1 Compulsory Liquidation Resolution.** The Board wishes to update shareholders of the Company (**"Shareholders"**) on developments in relation to the ongoing compulsory liquidation of XZYJLC. With the endorsement by the appointed liquidator for the liquidation of XZYJLC (the **"Liquidator"**), L.C. Logistics Pte Ltd. (**"LCLPL"**), the wholly-owned subsidiary of the Company which holds the 55% equity interests in XZYJLC, had on 17 January 2026 entered into a compulsory liquidation resolution agreement dated 17 January 2026 (the **"Compulsory Liquidation Resolution Agreement"**) with the joint venture partner of XZYJLC which holds the remaining 45% equity interests (the **"JV Partner"**), whereby LCLPL and the JV Partner agreed to undertake, among others, the following with the objectives of concluding the liquidation of XZYJLC and to discontinue all legal disputes between LCLPL and the JV Partner:

- (a) LCLPL will transfer its shares in XZYJLC (representing 55% equity interests) (the “**Resolution Shares**”) to the JV Partner (the “**Resolution Disposal**”) for a consideration of RMB142 million (approximately S\$26.24 million) (the “**Consideration**”). In arriving at the Consideration, the Company has taken into account, among others, that (i) XZYJLC is under compulsory liquidation at the order of the relevant court in the People’s Republic of China (“**PRC**”), (ii) there is uncertainty as to what the true intrinsic value of the Resolution Shares should be given the prolonged downturn in the PRC’s property market, and no bid was received for the assets of XZYJLC despite multiple rounds of public auction for its assets at substantial discounts to their fair value, (iii) accepting the Resolution Disposal at the Consideration will allow the Company to reach an acceptable and expedient resolution to the liquidation of XZYJLC and the Company can avoid further losses arising from resources expended on the liquidation process, and (iv) the last auction in respect of the Relevant Assets (as defined below) concluded on 25 December 2025 without any bids when the reserve price was pegged at 60% of (or a discount of 40% to) their fair value;
- (b) the Consideration shall be satisfied as follows:
 - (i) RMB44.99 million (approximately S\$8.31 million) payable by the JV Partner to LCLPL in cash; and
 - (ii) the balance RMB97.01 million (approximately S\$17.93 million) shall be satisfied by the assignment of a debt of a same amount owing by XZYJLC to the JV Partner, to LCLPL (the “**XZYJLC Debt**”);
- (c) in repayment of the XZYJLC Debt, XZYJLC shall transfer to LCLPL the ownership of 239 office units and 64 carpark lots (the “**Relevant Assets**”) in the mixed-use development located in Gulou District of Xuzhou, China (“**Gulou Square**”) which are currently held by XZYJLC (the “**Asset Repayment**”);
- (d) LCLPL and the JV Partner shall discontinue all litigation proceedings against each other in connection with their investments in XZYJLC, which had resulted in the compulsory liquidation of XZYJLC by the relevant court in the PRC; and
- (e) XZYJLC shall pay Xuzhou Sancai Real Estate Sales Agency Co., Ltd. (徐州三才房地产销售代理有限公司) (“**XZRES**”) RMB9.70 million (approximately S\$1.79 million) (the “**XZRES Settlement Amount**”) in settlement of the debt owed by XZYJLC to XZRES. XZRES is engaged in the business of marketing real estate, and the Group has a 55% equity interest in it, while the JV Partner owns the remaining 45%. XZRES will use the XZRES Settlement Amount to pay various expenses and taxes incurred by XZRES, which have yet to be determined. It is therefore unclear what the balance amount of the XZRES Settlement Amount may be, if any, or when any such balance will be paid to the Group.

For the avoidance of doubt, the Group will effectively be paid RMB44.99 million (approximately S\$8.31 million) in cash, and have the ownership titles to the Relevant Assets transferred to the Group upon completion of the Resolution Disposal, in exchange for the transfer of the Resolution Shares to the JV Partner.

- 2.2 Valuation of the Relevant Assets and Potential Write-down.** For the purpose of the Asset Repayment, LCLPL and the JV Partner agreed in the Compulsory Liquidation Resolution Agreement that the Relevant Assets shall be valued at the amount of the XZYJLC Debt, which is at approximately 60% of (or a discount of 40% to) the fair value of the Relevant Assets. This valuation of the Relevant Assets is based on the reserve price of the last auction undertaken in respect of the Relevant Assets, which concluded on 25 December 2025 without any bids. For the avoidance of doubt, this auction of the Relevant Assets is different from the auctions previously announced in the Previous Xuzhou Announcements, which were in relation to the auctions of the hotel tower and certain retail units and carpark lots of Gulou Square (the “**Hotel, Retail and Carpark Components**”).

The Company wishes to bring Shareholders' attention to disclosures referencing a "70% discount" in the following documents:

- (a) the Previous Xuzhou Announcement dated 26 December 2025, which indicated a reserve price likely pegged at up to a 70% discount to the fair value of the Auction Components (as defined in the said announcement), as no bids were received at a 60% discount to the fair value of the Auction Components in the fifth round of auction, if the parties decide to proceed with another round of auction in 2026. In addition, for illustrative purposes only, the Board has assessed the impact, assuming that there will be a bid at the reserve price of 70% discount to the fair value for both the Auction Components and the other remaining components of the Xuzhou Investment; and
- (b) the Scheme Document (including its appendices), which includes various references to a 70% discount to the fair value of the Xuzhou Investment or disclosures to similar effect

The 70% discount referred to in the disclosures are with reference to all components of Gulou Square under the Xuzhou Investment, including the Hotel, Retail and Carpark Components and the Relevant Assets. As the Hotel, Retail and Carpark Components collectively comprised around 81% of the fair value of XZYJLC's investment in Gulou Square, the Company was, at that time when the documents referred to above were issued, of the view that all other components in the Xuzhou Investment (i.e. other than the Hotel, Retail and Carpark Components) would likely go through further rounds of auctions with lower reserve prices and similar to the Hotel, Retail and Carpark Components, would likely reach 40% of (or a discount of 60% to) their fair value without receiving any bid. The pro forma financial effects assuming a reserve price that was at a 70% discount to fair value was therefore applied to all components of the Xuzhou Investment (and not just the Hotel, Retail and Carpark Components).

Although the Company and the JV Partner agreed to value the Relevant Assets at 60% of (or a discount of 40% to) their fair value (being pegged to the reserve price of the last auction in respect of the Relevant Assets which concluded on 25 December 2025 without any bids) for the purpose of the Asset Repayment, the Company made further assessments on the value at which the Group may dispose of the Relevant Assets in the future. These assessments were made without reference to the auction results of the Hotel, Retail and Carpark Components as the Group will cease to hold any interest in these components upon completion of the Resolution Disposal. Based on the aforesaid assessments, the Company determined that the most efficient course of action is to market and dispose of the Relevant Assets on a bulk sale basis (i.e. sale of one or more portfolios each comprising all or multiple office units and/or carpark lots comprised in the Relevant Assets) after the completion of the Resolution Disposal. Marketing each office unit and carpark lot individually may run the risk of incurring excessive marketing fees and expenses which may negatively impact the overall sale price of the Relevant Assets. However, given that the last auction of the Relevant Assets at 60% of their fair value did not result in any bid, the Company is cognisant that further discounts may be required to sell all the Relevant Assets on a bulk sale basis. Therefore, the Company is considering writing down up to an additional 10% to the fair value of the Relevant Assets, being S\$2.99 million (the "**Relevant Assets Write-down**"), such that the book value of the Relevant Assets recognised in the Group's accounts upon completion of the Resolution Disposal will be at 50% of (or a discount of 50% to) their fair value. Shareholders should note that this is a preliminary view, and remains subject to, among others, further assessments and discussions with its advisors and auditors. The Company will make an announcement to inform Shareholders should it decide to proceed with the Relevant Assets Write-down upon completion of the Resolution Disposal.

2.3 Other agreements to be entered into. The Compulsory Liquidation Resolution Agreement sets out the framework pursuant to which the Resolution Disposal will be undertaken and to conclude the liquidation of XZYJLC and the legal proceedings against each other between LCLPL and the JV Partner. To fully implement the processes agreed in the Compulsory Liquidation Resolution Agreement, LCLPL will still need to enter into, among others, the following agreements (the "**Relevant Transaction Agreements**"):

- (a) an equity transfer agreement with the JV Partner for the transfer of the Resolution Shares to the JV Partner in consideration of the Consideration;
- (b) a creditor's rights transfer agreement with the JV Partner and XZYJLC for the assignment of the XZYJLC Debt to LCLPL; and
- (c) an assets-for-debt settlement agreement with XZYJLC for the Asset Repayment involving the transfer of the ownership titles of the Relevant Assets from XZYJLC to LCLPL.

The Relevant Transaction Agreements are still subject to negotiations, and there is no certainty that all terms will be agreed upon between the JV Partner and LCLPL. In the event that the JV Partner and LCLPL do not come to agreement on the terms of the Relevant Transaction Agreements, the resolution framework under the Compulsory Liquidation Resolution Agreement may fail to materialise.

- 2.4 Updates to be announced.** The Company will announce further details when the Relevant Transaction Agreements are executed. In the event that the Relevant Transaction Agreements cannot be agreed upon, as advised by the Company's legal advisers in the PRC, the Liquidator shall have the right to discontinue the processes agreed under the Compulsory Liquidation Resolution Agreement, and continue with the liquidation of XZYJLC in accordance with applicable PRC laws and regulations. Material developments will be announced in due course.

3. INFORMATION ON LCLPL AND THE JV PARTNER

- 3.1 LCLPL.** LCLPL is a private limited company incorporated under the laws of Singapore and is a wholly-owned subsidiary of the Company. The principal activity of LCLPL is investment holding. LCLPL directly holds the Resolution Shares which are proposed to be sold under the Resolution Disposal.
- 3.2 JV Partner.** The JV Partner is Guangxi Yinjian Investment Co., Ltd. (广西银建投资股份有限公司), a company incorporated under the laws of the PRC. The JV Partner has been the Group's joint venture partner in the Group's investment in Gulou Square since 2010, being a legacy investment made by the Company when it was controlled by its previous controlling shareholder during the time when the Company was then known and listed as L.C. Development Ltd.

4. PRINCIPAL TERMS OF THE RESOLUTION DISPOSAL

- 4.1 Consideration.** The consideration for the Resolution Disposal is RMB142 million (approximately S\$26.24 million), comprising:
- (a) RMB44.99 million (approximately S\$8.31 million) payable by the JV Partner to LCLPL in cash; and
 - (b) the balance RMB97.01 million (approximately S\$17.93 million) shall be satisfied by the assignment of the XZYJLC Debt to LCLPL.

The XZYJLC Debt shall be repaid by XZYJLC upon completion of the Resolution Disposal by transferring the ownership of the Relevant Assets to LCLPL.

For the avoidance of doubt, the Group will effectively be paid RMB44.99 million (approximately S\$8.31 million) in cash, and have the ownership titles to the Relevant Assets transferred to the Group upon completion of the Resolution Disposal, in exchange for the transfer of the Resolution Shares to the JV Partner.

- 4.2 Other terms of the Resolution Disposal.** Material terms of the Compulsory Liquidation Resolution Agreement have been disclosed in paragraph 2 above. The Relevant Transaction Agreements have not been entered into, and further details of these agreements shall be announced by the Company in due course. However, the Company expects that the completion of the various transactions under the Relevant Transaction Agreements will be completed only after (a) the approval by Shareholders of the Resolution Disposal at an extraordinary general meeting ("EGM") of the Company to be convened; or (b) the Rule 1014(2) Waiver (as defined in paragraph 7 below) being granted by the SGX-ST. Following completion of the transactions contemplated under the Compulsory Liquidation Resolution Agreement and the Relevant Transaction Agreements, the Liquidator shall report to the relevant PRC court and request for a ruling to close all relevant cases before the PRC court.

Each of Aspiat Corporation Limited and Mr Koh Wee Meng, who in aggregate hold approximately 72.6% of the voting rights in the Company, have confirmed to the Company that they intend to undertake to vote in favour of any resolution to approve the Resolution Disposal (the "**Shareholder Undertakings**"), if an EGM is held.

Please refer to paragraph 6 below for more information on the requirement for Shareholder approval of the Resolution Disposal at an EGM and paragraph 7 below for more information on the Rule 1014(2) Waiver.

5. RATIONALE FOR THE RESOLUTION DISPOSAL AND USE OF PROCEEDS

5.1 Rationale for the Resolution Disposal. The compulsory liquidation of XZYJLC commenced in September 2023 and has been on-going for more than two years. The Liquidator had undertaken multiple rounds of auctions to sell various components of Gulou Square which are owned by XZYJLC without success. In the latest rounds of auction, the auction for the Relevant Assets closed without receiving any bids when the auction was pegged at 60% of (or a discount of 40% to) the fair value of the Relevant Assets, while the auction for the Hotel, Retail and Carpark Components closed without receiving any bids, when the auction was pegged at 40% of (or a discount of 60% to) the fair value of the Hotel, Retail and Carpark Components. Since the commencement of the disputes with the JV Partner in 2017 which led to commencement of legal proceedings in 2018, the Group has incurred substantial amounts in various fees and expenses to pay lawyers, the courts and other relevant parties. The Resolution Disposal therefore provides the Group with the opportunity to (i) finally conclude and settle the longstanding disputes and claims between the Group and the JV Partner, (ii) recover part of its investments in XZYJLC and to stop incurring additional fees and expenses and committing additional resources in connection with the liquidation and legal process, and (iii) allow the Company to focus on growing its remaining businesses.

5.2 Use of Proceeds. In view of the Scheme, the Company would like to inform that:

- (a) pursuant to Rule 5 of 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 8 October 2025 (the “**IA**”) entered into between the Company and the Offeror, the Scheme 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 Resolution Disposal by the Company, the Company is currently unable to determine any specific use of the proceeds from the Resolution Disposal (other than for general corporate purposes) nor consider any dividend or distribution pending the outcome of the Scheme, in compliance with the Code and the IA.

The net proceeds from the Resolution Disposal is expected to be:

- (a) S\$19.45 million, **if the Company does not recognise the Relevant Assets Write-down upon completion of the Resolution Disposal.** This is after the deduction of S\$6.79 million, being commissions, taxes, legal fees and other expenses to be incurred in connection with the Resolution Disposal, from the Consideration of S\$26.24 million; **or**
- (b) S\$16.70 million, **if the Company recognises the Relevant Assets Write-down upon completion of the Resolution Disposal.** This is after the deduction of the following items from the Consideration of S\$26.24 million:
 - (i) S\$2.99 million, representing 10% of the fair value of the Relevant Assets, to be written down upon completion of the Resolution Disposal; and
 - (ii) S\$6.55 million, being commissions, taxes, legal fees and other expenses to be incurred in connection with the Resolution Disposal.

Shareholders should note that the Group will only receive RMB44.99 million (approximately S\$8.31 million) in cash, being the cash component of the Consideration. Any repatriation of cash out of China will be subject to foreign exchange controls, and the time required to obtain relevant approvals from the PRC authorities is uncertain. Further, as disclosed in paragraph 2 above, the Group will receive the Relevant Assets based on a valuation of RMB97.01 million (approximately S\$17.93 million) as part of the Consideration, which is at 60% of (or a discount of 40% to) their fair value. There is no certainty that the Group will be able to dispose of the Relevant Assets at or above such valuation, and when the Group will be able to do so. The Company may recognise the Relevant Assets Write-down and associated costs incurred in connection with the Resolution Disposal amounting to S\$6.55 million upon completion of the Resolution Disposal.

Pending deployment, the net proceeds of the Resolution 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 Scheme 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 Resolution Disposal.

6. MAJOR TRANSACTION

6.1 Major Transaction. The relative figures in relation to the Resolution Disposal computed on the applicable bases set out in Rule 1006 (“**Rule 1006**”) of the Listing Manual are as follows:

Rule 1006	Bases	Resolution Disposal (\$'000)	Group (\$'000)	Relative Figures (%)
(a)	Net asset value of the Resolution Shares to be disposed of, compared with the net asset value of the Group	35,855 ^{(1), (2)}	208,116 ⁽¹⁾	17.23
(b)	Net profit (before income tax, minority interests and extraordinary items) attributable to the Resolution Shares to be disposed of, compared with the Group's net profits (before income tax, minority interests and extraordinary items)	N.A. ⁽³⁾	4,838 ⁽¹⁾	N.A. ⁽³⁾
(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)	26,242 ⁽⁴⁾	115,065 ⁽⁵⁾	22.81

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 XZYJLC of S\$35,855,000 as at 30 June 2025.
- (3) The investment in XZYJLC is measured at fair value through other comprehensive income in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 9 *Financial Instruments*. Therefore, fair value movements are not included in the Group's net profit.
- (4) The Consideration is calculated based on the LPD Exchange Rate.
- (5) The Company's market capitalisation is based on 1,055,639,464 Shares multiplied by the weighted average price of S\$0.109 of each Share transacted on 16 January 2026.

As the relative figure computed based on Rule 1006(c) of the Listing Manual exceeds 20%, the Resolution Disposal constitutes a “major transaction” for the Company under Chapter 10 of the Listing Manual. Accordingly, unless the Rule 1014(2) Waiver (as defined in paragraph 7 below) is granted by the SGX-ST, the Resolution Disposal will require the approval of Shareholders at an EGM for the purpose of approving the Resolution Disposal in accordance with Rule 1014(2) of the Listing Manual.

7. APPLICATION FOR WAIVER OF RULE 1014(2) OF THE LISTING MANUAL

- 7.1 Application for waiver of Rule 1014(2).** As the Resolution Disposal is part of the compulsory liquidation process ordered by the PRC court and administered by the Liquidator which is appointed by the PRC court, it is different from disposals occurring as part of business operations, whether in the ordinary course of business or otherwise. Therefore, the Company intends to submit a waiver application to the SGX-ST (the **“Waiver Application”**) for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Resolution Disposal to be made conditional upon approval of the Shareholders of the Company in a general meeting (the **“Rule 1014(2) Waiver”**). In the event that the Company decides not to proceed with the Waiver Application, or if submitted, the Rule 1014(2) Waiver is not granted by the SGX-ST, the Company will be required to convene an EGM to approve the Resolution Disposal.
- 7.2 Voting Undertaking.** As stated in paragraph 4 above, each of Aspiat Corporation Limited and Mr Koh Wee Meng, who in aggregate hold approximately 72.6% of the voting rights in the Company, have confirmed to the Company that they intend to provide the Shareholder Undertakings, if an EGM is held.

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, the book value and net tangible asset value (**“NTA”**) of the Resolution Shares is approximately S\$35.85 million.
- 8.2 Deficit of Consideration below book value of the Resolution Shares.** Based on the book value of the Resolution Shares as set out in paragraph 8.1 of this Announcement, the amount of deficit of the Consideration below the said book value is approximately S\$9.61 million.
- 8.3 Net Loss attributable to the Resolution Shares.** Based on the book value of the Resolution Shares as set out in paragraph 8.1 of this Announcement, and after considering: (i) the estimated taxes payable to the tax authorities in the PRC; and (ii) the estimated costs and expenses related to the Resolution Disposal, the estimated net loss attributable to the Resolution Disposal is approximately S\$16.41 million, comprising S\$14.13 million of fair value loss, and S\$2.28 million accounted as expenses in the profit or loss of the Group. The fair value loss of S\$14.13 million above will be recognised in other comprehensive income and will not be recycled to profit or loss on disposal, meaning the net asset value will be affected but not the Group’s earnings.

9. FINANCIAL EFFECTS

The pro forma financial effects of the Resolution Disposal on the earnings per Share (**“EPS”**), NTA per Share and NAV per Share, of the Group are set out below.

- 9.1 Bases and Assumptions.** The pro forma financial effects for the Resolution 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 Resolution Disposal. As the Group completed the disposal of Knight Frank Pte Ltd and its subsidiaries (the **“KF Disposal”**) on 17 October 2025, the pro forma financial effects set out in this paragraph 9 also take into account the effects of the KF Disposal as disclosed in the Company’s announcement dated 8 October 2025.

9.2 EPS. For illustrative purposes only and assuming that the Resolution Disposal had been completed on 1 January 2024¹, 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 KF Disposal and the Resolution Disposal	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Resolution Disposal
Loss after tax and non-controlling interests (S\$'000)	(2,648)	(62)	(2,337) ^{(2),(3)}
Loss per Share (in Singapore cents)	(0.25)	(0.01)	(0.22) ⁽³⁾

Notes:

- (1) As disclosed in the Company's announcement dated 8 October 2025.
- (2) The pro forma loss after tax and non-controlling interests is derived by adding the estimated loss arising from the Resolution Disposal of approximately S\$2,275,000, which is accounted as expenses in the profit or loss of the Group.
- (3) Assuming the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Resolution Disposal will be approximately S\$19,154,000, comprising S\$17,118,000 of fair value loss, and S\$2,036,000 accounted as expenses in the profit or loss of the Group. If the KF Disposal and the Resolution Disposal are both completed, the loss after tax and non-controlling interests will be S\$2,098,000, and the loss per Share will be 0.20 Singapore cents.

9.3 NTA. For illustrative purposes only and assuming that the Resolution Disposal had been completed on 31 December 2024², 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 KF Disposal and the Resolution Disposal	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Resolution Disposal
Net Assets attributable to Shareholders (S\$'000)	152,308	155,841	139,436 ^{(2),(3)}
Less: Intangibles (S\$'000)	14	14	14
NTA (S\$'000)	152,294	155,827	139,422 ⁽³⁾
Number of Shares	1,055,639,464	1,055,639,464	1,055,639,464
NTA per Share (in Singapore cents)	14.43	14.76	13.21 ⁽³⁾

Notes :

- (1) As disclosed in the Company's announcement dated 8 October 2025,
- (2) The pro forma NTA attributable to Shareholders is derived by deducting the estimated net loss attributable to the Resolution Disposal of approximately S\$16,405,000.

¹ Rule 1010(9) of the Listing Manual provides that the effect of the Resolution 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).

² Rule 1010(8) of the Listing Manual provides that the effect of the Resolution 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) Assuming the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Resolution Disposal will be approximately S\$19,154,000. If the KF Disposal and the Resolution Disposal are both completed, the net assets attributable to Shareholders will be S\$136,687,000, the NTA will be S\$136,673,000 and the NTA per Share will be 12.95 Singapore cents.

9.4 NAV. For illustrative purposes only and assuming that the Resolution Disposal had been completed on 31 December 2024³, 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 KF Disposal and the Resolution Disposal	Taking in the KF Disposal ⁽¹⁾	Taking in the KF Disposal and the Resolution Disposal
Net Assets attributable to Shareholders (S\$'000)	152,308	155,841	139,436 ^{(2),(3)}
Number of Shares	1,055,639,464	1,055,639,464	1,055,639,464
NAV per Share (in Singapore cents)	14.43	14.76	13.21 ⁽³⁾

Note :

- (1) As disclosed in the Company's announcement dated 8 October 2025.
- (2) The pro forma NAV attributable to Shareholders is derived by deducting the estimated net loss attributable to the Resolution Disposal of approximately S\$16,405,000.
- (3) Assuming that the Company decides to recognise the Relevant Assets Write-down, the estimated net loss attributable to the Resolution Disposal will be approximately S\$19,154,000. If the KF Disposal and the Resolution Disposal are both completed, the net assets attributable to Shareholders will be S\$136,687,000 and the NAV per Share will be 12.95 Singapore cents.

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 Shareholder Undertakings, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Resolution Disposal.

10.2 Directors' Service Contracts. No person is proposed to be appointed as a Director in connection with the Resolution 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 Compulsory Liquidation Resolution Agreement 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.

11. RESPONSIBILITY STATEMENT

The directors of the Company ("**Directors**") (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement which relate to the Company (excluding information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. The Directors jointly and severally accept responsibility accordingly.

³ Please see footnote 2 above. The Company is also disclosing the effect of the Resolution 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).

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

21 January 2026