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

UPDATES ON THE GROUP'S ASSET AND INVESTMENT PORTFOLIO

The Board of Directors (the "**Board**") of AF Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the results announcement for the half-year ended 30 June 2025 ("**1H2025**") dated 8 August 2025, in which the Group disclosed that on page 21:

(I) as part of the ongoing liquidation of Xuzhou Yinjian LumChang Real Estate Development Co., Ltd ("**XZYJLC**"), our joint venture investment in Xuzhou, China (the "**Xuzhou Investment**"), the appointed liquidator had conducted two rounds of public auctions (each with a subsequent descended reserve price), both of which closed with no bids received; and

(II) the Company will continue to explore opportunities to unlock value and enhance capital efficiency within the Group's asset and investment portfolio ("**Other Assets**").

Xuzhou Investment

In connection with the liquidation of the Xuzhou Investment, the appointed liquidator ("**Liquidator**") closed the third round of auction on 16 August 2025[1] with a reserve price pegged at 40% discount to the fair value. No bid was received in the aforementioned auction. The Liquidator is expected to call a meeting between, the Company and the joint venture partner of XZYJLC (the "**JV Partner**") to discuss the next course of action. One of the options expected to be discussed is to conduct a fourth round of the auction process for the Main Components (as defined below), with a lower reserve price which, subject to agreement with the Liquidator and the JV Partner, may be at a discount of up to 50% of the fair value of the underlying real estate assets in Gulou Square. If such additional round of auction is agreed and conducted but still fails to produce any bid, the Liquidator may take further such actions as they may deem, in their discretion, to be necessary to complete the liquidation of the Xuzhou Investment, including calling for further meetings to discuss the next course of action with the Company and the JV Partner, which may include holding further rounds of auctions at further discounts.

While the Board is unable to determine the final price at which the Xuzhou Investment will eventually be disposed of, it believes that the auction process currently remains the most viable option to liquidate XZYJLC's assets, as there is no offer being made privately by any party[2] for the investment.

To assess the extent that recoverability of the Xuzhou Investment will be affected by its disposal at further discounts to the fair value (the "**Increased Discount**"), the Board has assumed that the Main Components and the Remaining Components can be disposed of at the same Increased Discount. For illustrative purposes only, assuming that there will be a bid at the Increased Discount of 50% or 60% for each of the auctions for the Main Components and the Remaining Components and they are all sold at such Increased Discount, the Board has assessed that the recoverability of the joint venture investment of $35,855,000 as at 30 June 2025 currently reflected in the Company's consolidated financial statements for the half year ended 30 June 2025, will be impacted.

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[1] *As further background information, the third round of auction was in relation to the hotel tower and certain retail units and carpark spaces (the "**Main Components**"), which collectively comprise around 81% of the fair value of XZYJLC's investment in Gulou Square, a mixed-use development located in Gulou District of Xuzhou, China ("**Gulou Square**") held by XZYJLC. XZYJLC (which the Group has a 55% equity interest in) is currently under liquidation. Other than the Main Components, XZYJLC also owns other retail and office units and carpark spaces in Gulou Square (the "**Remaining Components**") which are currently in different rounds of auctions, where similarly, no bids have been received to-date.*

[2] *The Group is not precluded under Chinese regulations from making any bids in such round of auctions. The JV Partner is similarly not precluded from making any bids. It is also possible for the Group to buy out the JV Partner's 45% equity interest in XZYJLC, or conversely for the JV Partner to buy out the Group's 55% equity interest in XZYJLC.*

Additionally, under these circumstances should the Main Components and the Remaining Components be sold at an Increased Discount of 50% or 60%, it is likely that:

(a) the recoverable amount of the investment in XZYJLC may be written down to approximately:

  (i) S$27,355,000 (in the case of a 50% discount); or

  (ii) S$19,355,000 (in the case of a 60% discount); and

(b) a fair value loss of approximately:

  (i) S$8,500,000 (in the case of a 50% discount); or

  (ii) S$16,500,000 (in the case of a 60% discount),

may be recognised in other comprehensive income. Fair value losses incurred on the investment in XZYJLC will not be recycled to profit or loss on disposal, meaning the net assets and net asset value ("**NAV**") of the Group will be affected but not the Group's earnings.

On the assumption that the next auction is at the Increased Discount of 50% or 60%, and the corresponding write down and fair value loss is as described above, the Group's earnings per share for 1H2025 of 0.14 Singapore cents will remain unchanged while the financial effect on the Group's NAV as at 30 June 2025 is summarised below:

	Before recognition of the fair value loss	After recognition of the fair value loss at Increased Discount of 50%	After recognition of the fair value loss at Increased Discount of 60%
Net assets (S$'000)	150,550	142,050	134,050
Number of issued shares ('000)	1,055,639	1,055,639	1,055,639
NAV per share (in Singapore cents)	14.26	13.46	12.70

The above is solely for illustrative purposes to show the impact if the Xuzhou Investment is divested at the Increased Discount of 50% or 60%. It does not imply that the Xuzhou Investment can be divested at any amount, whether higher, lower or equal to any Increased Discount to its fair value, nor does it in any way constitute any form of profit guidance or forecast or forward statement by the Company on the financial position or results of the Group.

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

Other Opportunities

In relation to Other Opportunities involving the Group's asset and investment portfolio (other than in Gulou Square as described above), the Company is continuing to explore opportunities to unlock value and enhance capital efficiency within the Group's asset and investment portfolio. In this regard, we have from time to time been in discussions with various unrelated parties regarding potential sales of some of the Group's assets, and we continue to do so. Such discussions have generally been exploratory in nature, without any binding terms and without certainty that such discussions will progress to binding agreements between the Group and such parties.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

5 September 2025