



AF Global Limited

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

PROPOSED DISPOSAL OF INTERESTS IN KNIGHT FRANK PTE LTD – WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE LISTING MANUAL AND COMPLETION DATE OF THE PROPOSED DISPOSAL

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of AF Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement titled “Proposed Disposal of Interests in Knight Frank Pte Ltd” dated 8 October 2025 (the “**Proposed Disposal Announcement**”) in relation to the proposed disposal by its wholly-owned subsidiary, Cheong Hock Chye & Co. (Pte.) Ltd. (the “**Seller**”) to Knight Frank Asia Pacific Pte Ltd (the “**Buyer**”), of the entirety of the Seller’s interests in Knight Frank Pte Ltd (“**KFSG**”, and together with its subsidiaries, the “**KFSG Group**”), comprising 550,000 ordinary shares (the “**Sale Shares**”) in the share capital of KFSG, (the “**Proposed Disposal**”). A copy of the Proposed Disposal Announcement is attached to the Appendix of this announcement.
- 1.2 As disclosed in the Proposed Disposal Announcement, the Proposed Disposal constitutes a “major transaction” for the Company under Chapter 10 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, the Proposed Disposal is subject to the approval of shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting to be convened, unless waiver from compliance with Rule 1014(2) of the Listing Manual is given by the SGX-ST. The Company made an application for a waiver from compliance with Rule 1014(2) of the Listing Manual prior to the date of the Proposed Disposal Announcement (the “**Waiver Application**”).

2. WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE LISTING MANUAL

- 2.1 The Board wishes to update that the SGX-ST had on 9 October 2025 informed the Company (the “**SGX-ST Response**”) that it has no objection to the Company’s application for a waiver from compliance with Rule 1014(2) of the Listing Manual in relation to the Proposed Disposal (the “**Waiver**”), subject to the following (the “**Waiver Conditions**”):
- (a) the Company announcing the following, including as required under Rule 107 of the Listing Manual:
 - (i) the Waiver granted;
 - (ii) the reasons for seeking the Waiver;
 - (iii) certain matters considered by the SGX-ST as set out in the SGX-ST Response, based on the Company’s submissions and representations in the Waiver Application (the “**Exchange’s Considerations**”);
 - (iv) the conditions upon which the Waiver is granted; and
 - (v) whether the Waiver conditions have been satisfied as at the date of the announcement. If the Waiver conditions have not been satisfied, the Issuer must make an announcement as and when the conditions have been satisfied;

- (b) submission of a written confirmation from the Board that the Waiver does not contravene any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation);
- (c) submission of a written confirmation from the Board, and the Issuer announcing such confirmation from the Board, that there has been, and will be, no material change in the risk profile of the Issuer arising from the Proposed Disposal, including the bases for its opinion;
- (d) submission of irrevocable undertaking(s) from shareholders who collectively have an interest of more than 50% of the total number of issued shares of the Company that they would vote in favour of the Proposed Disposal, if a general meeting of the Issuer were to be convened;
- (e) submission of a written confirmation from the Board that the Proposed Disposal has been foreshadowed and/or investors have had the opportunity to consider and vote in favour of the Proposed Disposal at a previous general meeting of the Issuer,

(the announcement requirements in paragraphs 2.1(a) and 2.1(c) above, the “**Announcement Conditions**”, and the requirements to submit the relevant confirmations and undertakings in paragraphs 2.1(b), 2.1(c), 2.1(d) and 2.1(e) above, the “**Documentary Conditions**”).

- 2.2 In accordance with Rule 107 of the Listing Manual, the Waiver Conditions must be satisfied for the Waiver to be effective. Rule 107 further provides that where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

3. REASONS FOR WAIVER APPLICATION

The reasons for the Company's Waiver Application are as follows:

- 3.1 Proposed Disposal has been foreshadowed: Pursuant to paragraph 7.3 under Practice Note 10.1 of the Listing Manual, the SGX-ST may grant a waiver of Rule 1014(2) of the Listing Manual, if among others, (i) a proposed transaction has been foreshadowed or (ii) investors have had the opportunity to consider and vote in favour of the proposal at a previous general meeting.

The Company is of the view that the Proposed Disposal has been foreshadowed, having considered multiple past disclosures by the Company in relation to potential disposal of assets in the Group's portfolio, including in (i) the annual report for the financial year ended 31 December 2024, (ii) the unaudited condensed financial statements for the second half-year and full year ended 31 December 2024 announced on 24 February 2025, (iii) the unaudited condensed interim financial statements for the half-year ended 30 June 2025 announced on 8 August 2025, and (iv) the update announcements released by the Company on 5 September 2025 and 30 September 2025.

- 3.2 Non-core Asset: Paragraph 7.3 under Practice Note 10.1 of the Listing Manual, the SGX-ST may grant a waiver of Rule 1014(2) of the Listing Manual, if among others, a proposed disposal involves a non-core asset meeting the criteria set out therein.

As disclosed in the Proposed Disposal Announcement, 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 a comprehensive range of professional services covering residential, commercial and industrial markets, including 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. Such professional services business is unrelated and in addition to the Hospitality Business and therefore not considered critical or 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.

In addition, after taking into consideration the financial impact of certain one-off and non-recurring items and other events which are external to normal operations of the businesses, the Sale Shares proposed to be disposed by the Company do not contribute more than 20% of (i) the Group's net profit for the financial year ended 31 December 2024 ("**FY2024**") and the six months ended 30 June 2025 ("**1H2025**"), and (ii) the total assets of the Group as at 31 December 2024 and 30 June 2025. KFSG is therefore not considered a core asset of the Company and the Proposed Disposal involves the disposal of a non-core asset.

3.3 No material change in the risk profile of the Group: The Board is of the opinion that there has been, and will be, no material change in the risk profile of the Group arising from the Proposed Disposal, on the following bases:

- (a) the Proposed Disposal will not have a significant adverse impact on the net tangible assets ("**NTA**") or net asset value ("**NAV**") of the Group, having considered the following pro forma financial effects based on the Group's audited consolidated financial statements for FY2024 as disclosed in Proposed Disposal Announcement:
 - (i) NTA will change from 14.43 cents (without the Proposed Disposal) to 14.76 cents (assuming the Proposed Disposal), and
 - (ii) NAV will also change from 14.43 cents (without the Proposed Disposal) to 14.76 cents (assuming the Proposed Disposal).
- (b) the Proposed Disposal will increase the Group's profit and loss. As disclosed in the Chapter 10 Announcement, the pro forma effects on earning per share of the Company based on the Group's audited consolidated financial statements for FY2024 arising from the Proposed Disposal will be an improvement from (0.25) cents (without the Proposed Disposal) to (0.01) cent (assuming the Proposed Disposal);
- (c) the Group's business in the Hospitality Business will still account for approximately 71% of the Group's NAV as of 30 June 2025 on a pro forma basis, assuming KFSG was disposed of by the Company on 30 June 2025;
- (d) the rest of the Group's business (being the businesses other than those of KFSG and its subsidiaries) will still account for approximately 71% of the net profit of the Group for 1H2025 on a pro forma basis, assuming KFSG was disposed of by the Company on 1 January 2025;
- (e) the Group will remain in a net cash position as of 30 June 2025 on a pro forma basis, assuming KFSG was disposed of by the Company on 30 June 2025;
- (f) the Proposed Disposal will free and provide additional cash flow for general working capital purposes of the Group and/or to pursue acquisition and investment opportunities, thereby reducing the Group's need for additional borrowings, which will in turn help the Group manage its finance costs more efficiently; and
- (g) the Proposed Disposal will not result in concentration of operations in other jurisdictions, as the Group will continue to have businesses in Thailand, Vietnam and Laos.

3.4 Support from Majority Shareholders: As disclosed in the Proposed Disposal Announcement, Aspiat Corporation Limited and Mr Koh Wee Meng (the "**Undertaking Shareholders**"), who hold in aggregate approximately 72.6% voting rights in the Company, have entered into irrevocable undertakings to the Company to vote in favour of any resolutions in any extraordinary general meeting to approve the Proposed Disposal. As any resolution to approve the Proposed Disposal only requires the approval of a simple majority of Shareholders present and voting at the extraordinary general meeting, any resolution to approve the Proposed Disposal is expected to be approved, regardless of how the other Shareholders (other than the Undertaking Shareholders) may vote in respect of such resolution.

- 3.5 Time sensitivity: As the sale and purchase agreement dated 7 October 2025 between the Seller and the Buyer (the “SPA”) is not subject to any adjustment mechanism to the purchase consideration, it is the intention of the Buyer and the Seller to complete the Proposed Disposal as soon as possible. It is in the interest of the Company and Shareholders for the Proposed Disposal to be completed as soon as possible as the same consideration is payable whether the Proposed Disposal is completed earlier or later after an extraordinary general meeting has been convened and the approval obtained from Shareholders for the Proposed Disposal (which will be obtained as a matter of course as the Undertaking Shareholders representing the majority of votes have already undertaken to vote in favour of any resolution to approve the Proposed Disposal).

Although the SPA included the Condition Precedent as the Company had not obtained the Waiver when the SPA was executed, the Company (through the Seller) is obliged under the terms of the SPA to waive the Condition Precedent on the same day the Waiver becomes effective.

- 3.6 Gain on disposal: As disclosed in the Proposed Disposal Announcement, based on the book value of the Sale Shares of approximately S\$33,326,000 in the unaudited condensed financial statements for 1H2025, after considering the estimated related costs and expenses, the estimated gain arising from the Proposed Disposal is approximately S\$3,435,000. 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.

4. EXCHANGE’S CONSIDERATIONS

Based on the Company’s submissions and representations in the Waiver Application, the SGX-ST considered the following Exchange’s Considerations in granting the Waiver (subject to the Waiver Conditions):

- (a) the Proposed Disposal has been adequately foreshadowed by the Company in its annual report for FY2024;
- (b) the Proposed Disposal pertains to a non-core asset, after taking into consideration the financial impact of certain one-off and/or non-recurring items, on the FY2024 financial statements;
- (c) Shareholders who collectively have an interest of more than 50% of the total number of issued shares of the Company, shall provide an irrevocable undertaking to support the Proposed Disposal; and
- (d) the Proposed Disposal is time sensitive and would result in a gain on disposal based on the Company’s unaudited results for 1H2025.

5. FULFILMENT OF THE WAIVER CONDITIONS

The Company had submitted to the SGX-ST the confirmations from the Board and the undertakings from the Undertaking Shareholders in relation to the Documentary Conditions set out above. With this announcement made in compliance with Announcement Conditions set out above, all of the Waiver Conditions have been satisfied.

6. WAIVER OF CONDITION PRECEDENT AND COMPLETION OF PROPOSED DISPOSAL

- 6.1 As disclosed in the Proposed Disposal Announcement, pursuant to the terms of the SPA, completion of the Proposed Disposal is conditional only upon the relevant resolutions being passed by Shareholders to approve the Proposed Disposal (the “**Condition Precedent**”), and the Seller shall waive the Condition Precedent under the SPA if the Waiver is granted. As the Waiver has been granted by the SGX-ST and the Waiver Conditions are fulfilled today with the release of this announcement, the Waiver has become effective. Accordingly, the Condition Precedent has also been waived by the Seller.

- 6.2 Under the terms of the SPA, completion of the Proposed Disposal 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. As the Condition Precedent is waived today on 10 October 2025, completion of the Proposed Disposal shall take place on 17 October 2025.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

10 October 2025

APPENDIX

Proposed Disposal Announcement



AF Global Limited

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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 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 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 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 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 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 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