

ANNOUNCEMENT

PROPOSED SALE OF PROPERTY IN SOUTH KOREA

1. INTRODUCTION

The Straits Trading Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement dated 20 June 2019 (the "**Announcement**") in relation to, among others, (a) the subscription into IGIS Arenas KLIP 1 Private Placement Real Estate Feeder Investment Company ("**REF**") by the Company's wholly-owned subsidiary, Straits Real Estate Pte. Ltd. ("**SREPL**"), through its wholly-owned subsidiary, SRE Venture 14 Pte. Ltd. ("**SREV14**"), to develop a portfolio of logistics warehouse properties in South Korea; and (b) the acquisition by REF, through its wholly-owned subsidiary, IGIS Arenas KLIP 1-1 Private Placement Real Estate Master Investment Company ("**REF-1**"), of a 50.0% interest in a freehold logistics property located in South Korea (the "**Property**") through the acquisition of 50.0% of the shares in Sky Logis Private Real Estate Investment Company ("**SKY**"). The freehold logistics site has been developed into a logistics facility (the "**Property**") as of January 2021.

The Company wishes to announce that its indirect 94.7%-owned subsidiary, REF, has, through REF-1 and SKY, entered into a sale and purchase agreement ("**SPA**") with a major South Korean financial institution (in its capacity as trustee of a private trust) (the "**Purchaser**") to dispose of SKY's 100% ownership in the Property at a cash consideration of KRW 432.0 billion (approximately SGD 377.6¹ million) (the "**Consideration**", and the disposal of the Property, the "**Proposed Sale**").

As at the date of this announcement, the Company (through SREPL and SREV14) has an effective interest of 47.3% in the issued share capital of SKY and SKY is accounted for as a joint venture company.

2. INFORMATION ON THE PROPERTY

The Property, also known as Arenas Yeongjong Logistics Center, is a Grade A, six-storey ramp up modern logistics facility with high quality specifications comprising 57,819 pyeong (approximately 191,000 sqm) of dry warehouse and office lettable space in Incheon, South Korea. Located approximately eight kilometres from the air cargo terminal of Incheon International Airport and easily accessible via the Incheon International Airport Expressway, the Property offers an attractive opportunity for tenants seeking close proximity to the terminal, such as export/import businesses, duty free operators and global forwarders. The construction of the Property was completed in January 2021.

¹ Based on the KRW/SGD exchange rate of 0.0008741 as at 22 January 2026

An independent valuation of the Property, commissioned by SKY, was conducted by Jones Lang Laselle Investment Advisory Co., Ltd as at 31 December 2025. Based on the independent valuation, the value of the Property is KRW 432.0 billion (approximately SGD 384.1² million). The valuation was based on the income capitalisation and discounted cash flow methods.

Based on the latest unaudited financial statements of SKY for the financial year ended 31 December 2025, the book value of the Property is KRW 432.0 billion (approximately SGD 384.1² million) and the net tangible asset value of the Property is KRW 226.8 billion (approximately SGD 201.7² million).

Based on the Company's 47.3% effective interest in the issued share capital of SKY, the Company expects to receive net proceeds of approximately KRW 95.4 billion (approximately SGD 83.4¹ million), subject to customary post-completion adjustments, after deducting estimated withholding tax, other relevant expenses in connection with the Proposed Sale and settlement of outstanding loans in relation to the Property ("**Net Proceeds**"). Accordingly, the Company is not expected to recognise any material gain or loss on the disposal of the Proposed Sale.

3. SALIENT TERMS OF THE PROPOSED SALE

3.1 Consideration

The Consideration of KRW 432.0 billion (approximately SGD 377.6¹ million) was arrived at arm's length negotiation on a willing-buyer willing-seller basis, taking into account the independent valuation of the Property and prevailing market conditions.

3.2 Payment of the Consideration

The Consideration will be satisfied wholly in cash upon completion of the Proposed Sale ("**Completion**") subject to adjustments for (a) certain lease deposit obligations assumed by the Purchaser; and (b) a settlement amount to be calculated in accordance with the terms of the SPA.

3.3 Conditions Precedent

The obligations of SKY to consummate Completion shall be subject to the satisfaction of various conditions precedent by the Purchaser (unless waived in writing by SKY), including: the representations and warranties to be given by the Purchaser and/or its collective investment company being true and correct in all material respects; the Purchaser having performed and complied, in all material respects, with all obligations and covenants required to be performed or complied with by the Purchaser under the SPA prior to Completion; no governmental order being in existence that prohibits the execution or performance of the SPA; and no event having occurred that would entitle SKY to terminate the SPA.

The obligations of the Purchaser to consummate Completion shall be subject to the satisfaction of various conditions precedent by SKY (unless waived in writing by the

² Based on the KRW/SGD exchange rate of 0.0008892 as at 31 December 2025

Purchaser), including: the representations and warranties to be given by SKY being true and correct in all material respects; SKY having performed and complied, in all material respects, with all obligations and covenants required to be performed or complied with by SKY under the SPA prior to Completion; no governmental order being in existence that prohibits the execution or performance of the SPA; and no event having occurred that would entitle the Purchaser to terminate the SPA.

3.4 Completion

Completion is scheduled to take place on 29 January 2026, unless extended for up to 15 business days thereafter by mutual agreement between SKY and the Purchaser.

4. RATIONALE AND USE OF NET PROCEEDS FOR THE PROPOSED SALE

The Proposed Sale reflects the Group's disciplined approach to capital allocation and its focus on managing investments through the full lifecycle. With the Property now at a mature stage, the divestment enables the Group to realise the value created and redeploy the Net Proceeds into opportunities that align with its long-term portfolio strategy. This capital recycling approach supports the Group's objective of optimising its portfolio and delivering sustainable value to its shareholders.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE SGX-ST LISTING MANUAL

Based on the Company's unaudited financial statements for the six (6) months ended 30 June 2025, the relative figures for the Proposed Sale computed on the bases set out in Rule 1006 are as follows:

Rule	Bases	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	6.6% ⁽¹⁾
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	(5.6)% ⁽²⁾
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	10.5% ⁽³⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁴⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable	N.A. ⁽⁵⁾

	reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	
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Notes:

- (1) Based on the (i) Group's effective interest on the net asset value of the Property as at 30 June 2025 which amounted to SGD 101.7 million; and (ii) the Group's net asset value as at 30 June 2025 which amounted to SGD 1,544.3 million.
- (2) Based on the (i) Group's share of net profits from the Property for year to date 30 June 2025 which amounted to SGD 1.6 million; and (ii) the Group's net loss for year to date 30 June 2025 which amounted to SGD 27.6 million.
- (3) Based on (i) the Net Proceeds; and (ii) the market capitalisation of the Company on 22 January 2026 of SGD 792.8 million. The market capitalisation of the Company is determined by multiplying the number of shares in issue (excluding treasury shares) of 468,881,319 shares by the volume weighted average price of SGD 1.6909 on 22 January 2026 (being the day prior to the signing of the SPA).
- (4) This basis is not applicable as it only applies to acquisitions.
- (5) This basis is not applicable as it only applies to the disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Pursuant to Rule 1007(1) of the SGX-ST Listing Manual, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the SGX-ST Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1. As the net profit attributable to the assets to be disposed exceeds 5% but does not exceed 10% of the consolidated net loss of the Company (taking into account only the absolute value), the Proposed Sale falls within the situation in paragraph 4.4(d) of Practice Note 10.1, and Rule 1014 would not apply. As the applicable relative figures under Rule 1006(a) and Rule 1006(c) do not exceed 20%, and the net profit attributable to the assets to be disposed does not exceed 10% of the consolidated net loss of the issuer (taking into account only the absolute value), the Proposed Sale is classified as a "discloseable transaction" under Chapter 10 of the SGX-ST Listing Manual.

6. FINANCIAL EFFECTS OF THE PROPOSED SALE

The pro forma financial effects of the Proposed Sale on the Company are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial position of the Company or the Group following the completion of the Proposed Sale.

The pro forma financial effects of the Proposed Sale have been prepared based on the audited financial statements of the Company for the financial year ended 31 December 2024 and on the following assumptions:

- (a) the financial effects on the net tangible assets ("**NTA**") per share of the Company are computed based on the assumption that the Proposed Sale was completed on 31 December 2024; and
- (b) the financial effects on the loss / earnings per share (the "**LPS**" or "**EPS**") per share of the Company are computed based on the assumption that the Proposed Sale was completed on 1 January 2024.

6.1 **NTA per Share**

For illustrative purposes only, the financial effects on the net tangible assets ("**NTA**") per share of the Company are computed based on the assumption that the Proposed Sale was completed on 31 December 2024, is as follows:

	Before the Proposed Sale	After completion of the Proposed Sale
NTA as at 31 December 2024 (SGD million)	1,378.2	1,360.7
Number of issued and paid-up shares (excluding treasury shares) (million)	450.8	450.8
NTA per Share (SGD cents)	305.7	301.8

6.2 **LPS**

For illustrative purposes only, the financial effects on the loss / earnings per share (the "**LPS**" or "**EPS**") per share of the Company are computed based on the assumption that the Proposed Sale was completed on 1 January 2024, is as follows:

	Before the Proposed Sale	After completion of the Proposed Sale
Loss attributable to shareholders of the Company (SGD million)	(7.2)	(18.3)
Weighted average number of shares (excluding treasury shares) (million)	449.7	449.7
LPS (SGD cents)	(1.6)	(4.1)

7. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and, to the best of the Directors' knowledge, none of the controlling shareholders of the Company, has any interest, directly or indirectly, in the Proposed Sale, other than in their capacity as a director or shareholder of the Company (as the case may be).

8. **SERVICE CONTRACTS**

No person will be appointed to the Board in connection with the Proposed Sale and accordingly, no service contracts in relation thereto will be entered by the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA and the valuation report will be available for inspection at the registered office of the Company at 1 Wallich Street, #15-01, Guoco Tower, Singapore 078881 during normal business hours for a period of three (3) months from the date of this announcement.

By Order of the Board

Lun Chee Leong
Company Secretary

The Straits Trading Company Limited

23 January 2026

Singapore

This announcement can also be found at the Company's website at www.straitstrading.com.sg

About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operation and financial interests in resources, property and hospitality. These include strategic stakes in one of the world's leading tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and Singapore Exchange Securities Trading Limited and Far East Hospitality Holdings as well as a diversified property portfolio that is wholly owned by the Group.