

SINGAPORE TECHNOLOGIES ENGINEERING LTD

(Incorporated in the Republic of Singapore)
(UEN / Company Registration No. 199706274H)

DIVESTMENT OF EQUITY INTERESTS IN CITYCAB PTE LTD

1. INTRODUCTION

The Board of Directors (the "**Board**") of Singapore Technologies Engineering Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, ST Engineering Land Systems Ltd. ("**STLS**") has on 1 September 2025 disposed of all of the shares ("**Sale Shares**") that it holds in CityCab Pte Ltd ("**CityCab**") to ComfortDelGro Corporation Limited ("**Purchaser**") (the "**Divestment**"). The Sale Shares comprised 46.5% of the issued and paid-up share capital of CityCab. Following the Divestment, the Group ceases to have any interest in CityCab. The Purchaser, which owned the balance 53.5% stake, will hold 100.0% of CityCab following the Divestment.

CityCab is a taxi operator in Singapore. Singapore Technologies Automotive Ltd, which later merged into Singapore Technologies Engineering Ltd in 1997, first held this investment at CityCab's formation in 1995. The Purchaser is a multi-modal transport operator offering mobility solutions across buses, rail, taxis and private hire cars. The Divestment aligns with the Purchaser's core point-to-point business in Singapore.

2. CONSIDERATION FOR THE SALE SHARES

The consideration for Sale Shares was S\$116.3 million ("**Consideration**") and was fully paid in cash by the Purchaser. The Consideration was arrived at on a willing seller, willing buyer basis, taking into account the valuation of the Sale Shares. In this regard, STLS and the Purchaser had jointly appointed Deloitte & Touche Financial Advisory Services Pte Ltd ("**Valuer**") to determine the value of the Sale Shares based on a *pro rata* basis of the equity value of CityCab, using market value as defined in the International Valuation Standards as the basis of value. Based on the valuation report dated 25 August 2025 issued by the Valuer, the value of the Sale Shares as at 1 June 2025 was S\$98.9 million.

The Divestment will result in cash proceeds of S\$116.3 million. Based on the Consideration, the Divestment translates to an Enterprise Value / EBITDA multiple of 5.5 times based on CityCab's last 12 months unaudited EBITDA for the period ended 31 May 2025.

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Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2025, the net tangible asset value and the book value attributable to the Sale Shares was approximately S\$36.0 million.

3. NON-DISCLOSABLE TRANSACTION

As none of the relative figures in respect of the Divestment under Rule 1006 of the Listing Manual exceeds 5%, the Divestment is a non-disclosable transaction under Chapter 10 of the Listing Manual, and this announcement has been made by the Company taking into consideration Rule 703 and Rule 1008 of the Listing Manual.

4. FINANCIAL EFFECTS

The Group's share of CityCab's net profit for 2024 was S\$8.7 million. The revenue for CityCab was not consolidated into the Group financials as CityCab was equity accounted.

On receipt of the Consideration, the Company will pay down its debt. This will result in interest expense savings of about S\$4 million on an annualised basis.

The Group expects the Divestment to result in a one-off gain on disposal of approximately S\$77.2 million for the current financial year. Save for the one-off gain mentioned, the Divestment is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the current financial year.

BY ORDER OF THE BOARD

Low Meng Wai
Company Secretary
1 September 2025