

ANNOUNCEMENT

RECEIPT OF DEMAND NOTICE BY A SUBSIDIARY

The Straits Trading Company Limited (the "**Company**") refers to the announcement dated 17 December 2019 in relation to its proposed acquisition of a retail mall in Shanghai, China (the "**Property**"), through a joint venture entity, Ivory SL Joint Venture Limited (the "**JVCo**") formed between its indirect wholly-owned subsidiary, SRE Venture 16 Pte. Ltd. ("**SREV16**"), Fine Process Limited ("**ICBCI**") and an entity owned by a fund managed by a subsidiary of ESR Asset Management Limited ("**ESR**"). The Property was acquired via the acquisition of 100% of the shares of the project company that owned the Property through two wholly-owned subsidiary companies of the JVCo (collectively, the "**Intermediate Holdcos**").

As at the date of this announcement, SREV16 has a 37.7% stake in the issued share capital of the JVCo ("**SRE JVCo Shares**") and the Company's net carrying value of the investment in JVCo is approximately S\$100.0 million as at 30 June 2025.

On 17 December 2019, the JVCo as the borrower (the "**Borrower**") entered into a facility agreement (the "**Facility Agreement**") with the Intermediate Holdcos as guarantors (collectively, the "**Guarantors**") and ICBCI as lender (the "**Lender**"). Pursuant to the Facility Agreement, the Lender had granted the Borrower a USD equivalent of CNY 260,000,000 secured term loan facility. As required by the Facility Agreement, each of SREV16 and ESR had provided to the Lender an equitable mortgage over their shares in the JVCo (respectively, the "**SRE Share Mortgage**" and the "**ESR Share Mortgage**", and collectively, the "**Equitable Share Mortgages**").

The Company wishes to announce that the Lender had issued a notice dated 26 November 2025 (the "**Notice**") to the Borrower, the Guarantors and each of SREV16 and ESR.

In the Notice, the Lender had declared, amongst other things, that the Borrower had failed to repay the loans and accrued interest under the Facility Agreement when these had fallen due. On the basis of the Events of Default (as defined in the Facility Agreement) identified in the Notice (amongst other things), the Lender had given notice to the Borrower that an aggregate amount of USD 52,521,798.13 (the "**Outstanding Sum**") was immediately due and payable as at the date of the Notice. The Lender further stated that if the Outstanding Sum was not deposited into its designated account by 5:00 pm on 2 December 2025, it will exercise any or all of its rights, remedies, powers or discretions under the Finance Documents (as defined in the Facility Agreement, and which includes the Equitable Share Mortgages) without further reference to the Borrower and the Guarantors.

The Company notes that if the Lender should enforce in full its rights under the Equitable Share Mortgages, it may (amongst other things) take possession of, assign, exchange, sell, transfer, grant options over or otherwise dispose of the shares in JVCo belonging to SREV16 and ESR, which are subject to the SRE Share Mortgage and the ESR Share Mortgage, respectively, and any interests or rights thereunder. In the event that the Company ceases to have control over the SRE JVCo Shares, the Company will cease to apply the equity method

for its investment in JVCo and will also be required to assess the net carrying value of the SRE JVCo Shares for impairment. Any resulting impairment loss will be recognised in the Company's income statement and may materially affect the Group's financial performance for the relevant reporting period. Notwithstanding the above, the aforementioned impairment loss is non-cash in nature and is not expected to have an impact on the operating cash flow of the Group. The Company reiterates that the overall business and financial position of the Group remain healthy, and the Group has sufficient liquidity to meet all its operational and financial commitments.

The Company will make further announcements on the SGXNET in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. **In the meantime, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult with their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

By Order of the Board

Lun Chee Leong
Company Secretary

The Straits Trading Company Limited

1 December 2025

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.