

MEDIA RELEASE

**STRAITS TRADING DECLARES SPECIAL DIVIDEND
VIA DISTRIBUTION IN SPECIE**

- *With the divestment of ARA, Straits Trading continues its track record of rewarding shareholders with a special dividend whenever substantial shareholder value is unlocked*
- *Shareholders can opt for 145 ESR shares or 180 Straits Trading shares for every 1,000 Straits Trading shares owned*
- *The equivalent value is worth approximately S\$0.50 per share*

SINGAPORE – 14 August 2022 - The Straits Trading Company Limited (“**Straits Trading**”) is pleased to announce a special dividend by way of distribution in specie to reward its shareholders, following the strong set of 1H2022 results driven by the divestment of ARA Asset Management Limited (“**ARA**”) to ESR Group Limited (“**ESR**”). Upon completion of the transaction on 20th January 2022, Straits Trading recognised a value of S\$1,076.5 million via a combination of S\$142.5 million in cash and 214.7 million ESR shares. This represented an 18.2% IRR or 3.7 times equity multiple over Straits Trading’s original cost of investment in ARA.

The proposed distribution in specie will be distributed to entitled shareholders, who may elect to receive 145 ESR shares or 180 new Straits Trading shares for every 1,000 Straits Trading shares owned at the book closure date to be determined. This dual arrangement offers shareholders flexibility in deciding how they would like to participate in the Straits Trading’s growth, especially for shareholders who may not hold a Hong Kong trading account or Hong Kong-linked brokerage account. The proposed distribution ratio is worth approximately S\$0.50 per Straits Trading share based on the closing price of HK\$19.86 per ESR Share on 12 August 2022. A circular and notice of extraordinary general meeting (“**EGM**”) will be despatched in due course to Straits Trading shareholders to provide details on the proposed distribution. Subsequently, an EGM will be convened to seek shareholders’ approval.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “With the successful divestment of ARA, this special dividend serves to reward our shareholders for their continued support and enables them to participate further in our growth. We are continuing our track record of rewarding shareholders with a special dividend whenever substantial shareholder value is unlocked.”

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations 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 the Singapore Exchange Securities Trading Limited, ESR Group Limited and Far East Hospitality Holdings Pte Ltd as well as a diversified property portfolio that is wholly owned by the Group.

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