

MEDIA RELEASE

STRAITS TRADING CLOSES S\$370 MILLION FIRST EXCHANGEABLE BONDS SUBSCRIPTION

- *The offering reopens the equity-linked market in Asia Pacific with the first sizeable, benchmark trade in 2023*
- *Strong demand from global institutional investors demonstrates confidence in Straits Trading and ESR*
- *The exchangeable bonds priced at 3.25% coupon provides Straits Trading with lower cost of funding for future opportunities*

SINGAPORE – 13 February 2023 – The Straits Trading Company Limited (“**Straits Trading**”) has marked a significant milestone in fundraising with its first exchangeable bond issuance totalling S\$370 million. The exchangeable bonds, an equity-linked product, received strong demand from global institutional investors with an oversubscription of 1.9 times, demonstrating investors’ confidence in Straits Trading’s businesses and credit profile.

The 5-year exchangeable bonds (“**EB**”) issued at par with a 3.25% coupon is due on 13 February 2028 and can be exchanged into shares of ESR Group Limited (“**ESR**”) at the option of the investor. The initial exchange price of HK\$22.00 per share represents a premium of 31% compared to ESR’s closing price of HK\$16.76 on the launch date of 30 January 2023.

"The EB reflects Straits Trading's belief in the long-term potential of ESR, and our ability to leverage long term investments, diversify our funding sources and lower the cost of capital. We will use part of the proceeds to carry out our growth strategy." said Ms Chew Gek Khim, Executive Chairman of Straits Trading.

With the proceeds from the exchangeable bonds, Straits Trading aims to maintain a strong balance sheet with sufficient liquidity and position itself well for future opportunities in the market.

“Despite the uncertain and challenging macroeconomic environment, we are pleased to have widened our institutional following to top tier sophisticated institutional investors globally and are humbled by the support shown to Straits Trading”, said Mr Eric Teng, CEO of Straits Developments Private Limited.

The EBs will be listed for trading on the Singapore Exchange on 14 February 2023, with interest payable on a semi-annual basis each year starting from 13 August 2023.

Goldman Sachs (Asia) L.L.C. is the overall coordinator and sole bookrunner.

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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 as well as a diversified property portfolio that is wholly owned by the Group.

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