

ANNOUNCEMENT

WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE SGX-ST LISTING MANUAL

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to refer to the joint announcement by the ESR Group Limited (“**ESR**”) and MEGA BidCo on The Stock Exchange of Hong Kong Limited (“**SEHK**”) dated 22 May 2025, with the proposal for privatisation of ESR by way of a scheme of arrangement at the Cancellation Consideration of (a) the Cash Alternative: cash of HK\$13.00 per Scheme Share; or (b) the Share Alternative: one (1) EquityCo Share per Scheme Share (“**Scheme**”)¹.

By way of background, on 5 August 2021, the Company received shares in ESR Cayman Ltd, subsequently renamed ESR Group Limited (“**ESR Shares**”) as part of the consideration for its disposal of its shareholdings in ARA Asset Management Ltd, (“**ARA**”)².

Collectively, the Group holds in aggregate 169,128,420 ESR Shares, or approximately 4.0% stake in ESR. The Group is required to vote on the proposed privatisation of ESR at the ESR Court Meeting and EGM (the “**Proposed Transaction**”).

2. APPLICATION TO AND WAIVER GRANTED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

Under Chapter 10 of the Listing Manual, where any of the relative figures in Rule 1006 exceeds 20%, the transaction will be considered a “major transaction” and must be made conditional upon the approval by shareholders of the issuer in a general meeting.

The Company has computed the bases set out in Rule 1006 of the Listing Manual, which are as follows:

Rule 1006	Bases	Relative Figures (%)⁽⁴⁾
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value ⁽¹⁾ .	22.3
(b)	The net profit / (loss) attributable to the assets disposed of, compared with the Group's net profit / (loss).	Not applicable. ESR Shares are revalued in other comprehensive income and does not go through Profit & Loss.
(c)	The aggregate value of the consideration ⁽²⁾ received, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares.	57.1

¹ Capitalised terms used herein shall have the same meanings as defined in the Scheme Document dated 22 May 2025. The Scheme Document can be assessed at www.hkexnews.hk or www.esr.com.

² Please refer to the Company's announcements on 5 August 2021: Disposal of shareholding in ARA Asset Management Limited by Associated Company, ARA Investment (Cayman) Limited; 20 January 2022: Announcement Pursuant to Rule 704(17)(b) of the Listing Manual.

Notes:

- (1) As the ESR Shares are held as investment securities on the Group's balance sheet, the net asset value of our investment in ESR Shares will be based on the carrying value of the ESR Shares held of the Group's balance sheet i.e. S\$353.1 million (based on 169,128,420 ESR Shares x HK\$11.94 = HK\$2,019.39 million translated to S\$353.1 million based on prevailing exchange rate of HKD:SGD 0.17487) as at 31 December 2024.
- (2) The aggregate value of the consideration HK\$2,198,669,460 (based on 169,128,420 ESR Shares x HK\$13.00 per ESR Share, equivalent to approximately S\$361.5 million based on HKD/SGD of 0.1644 as at 6 June 2025).
- (3) Market capitalisation has been calculated on the basis of 450,805,281 STC shares in issue at the date of this Announcement multiplied by the volume weighted average price of the STC shares transacted on the full trading day prior to the date of this Announcement, being S\$1.4048.
- (4) Any discrepancies between the figures in the Notes to the table and the Relative Figures set out in the table are due to rounding.

The Company has sought a confirmation from the SGX-ST that the Proposed Transaction is not a "transaction". SGX-ST is of the view that the Proposed Transaction would constitute a major transaction under Chapter 10 of the Listing Manual. However, SGX-ST has no objection in granting the Company a waiver from compliance with Listing Rule 1014(2) with regards to the Proposed Transaction (the "**Waiver**"), subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) submission of a written confirmation from the Board of Directors of the Company that there has been or will be no material change in the risk profile of the Company arising from the Proposed Transaction, including the bases for its opinion;
- (c) submission of a written confirmation from the Board of Directors of the Company that the Proposed Transaction is in the best interest of the Group and the shareholders of the Company; and
- (d) submission of irrevocable undertaking(s) from shareholder(s) who collectively hold more than 50% of the total issued shares of the Company that they would vote in favour of the Proposed Transaction at a general meeting.

3. REASONS FOR SEEKING THE WAIVER

- (a) As the Proposed Transaction is a disposal of the Group's 4% stake in ESR Shares, which is the consideration we received from a prior transaction (as referred to the Company's announcements in its disposal of its stake in ARA on 5 August 2021 and 20 January 2022), we are of the view that such subsequent disposal is expected and is in the ordinary course of business for the purpose of Chapter 10 of the Listing Manual.
- (b) The Company only holds a 4% stake in ESR and does not have any board representation. The Company therefore has no control over the outcome of the Proposed Transaction nor has any power to influence the board or management of ESR.
- (c) The Company, as a conglomerate investment company has consistently reiterated its strategy of capital recycling of its investment portfolio to realise maximum returns for our shareholders. Based on the Company's evaluation of the Proposed Transaction, and the Independent Financial Advisor appointed by ESR to review opining that the

Proposed Transaction is fair and reasonable, the Company considers the value of the ESR Shares has been maximized and it is in the best interest of the Group to vote in favour of the Scheme given the illiquidity of the EquityCo Share and the interests of the shareholders of EquityCo will not be aligned with the Group.

4. BOARD'S CONFIRMATION

The Board of the Company confirms that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution.

The Board of the Company confirms that there has not been nor will there be any material change in the risk profile of the Company arising from the Proposed Transaction, as the cash consideration will reduce volatility of the Group's net asset value and net gearing, hence improve the risk profile of the Group.

The Board of the Company confirms that the Proposed Transaction is in the best interest of the Group and the shareholders of the Company.

5. IRREVOCABLE UNDERTAKING BY SUBSTANTIAL SHAREHOLDER(S)

The Cairns Pte. Ltd., being the holder of 285,670,552 ordinary shares or 63.37% in the shareholding of the Company, has irrevocably undertaken to vote in favour of the Company's holding of 169,128,420 ESR Shares amounting to 4% of ESR, if an extraordinary general meeting was convened by the Company to obtain the Company's shareholders' approval to accept the said Scheme for cash consideration of HK\$13.00 offered by the Mega BidCo.

6. The Company confirms that all the Waiver conditions have been satisfied.

7. NO NEED FOR EXTRAORDINARY GENERAL MEETING

As the SGX-ST has granted the Waiver, the Company will not be required to convene an extraordinary general meeting to seek shareholders' approval for the Proposed Transaction.

By Order of the Board

See-Toh Yuit Mei
Company Secretary

The Straits Trading Company Limited

9 June 2025

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 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.