

ANNOUNCEMENT

PROPOSED SPECIAL DIVIDEND VIA DISTRIBUTION *IN SPECIE* OF SHARES IN THE STRAITS TRADING COMPANY LIMITED OR ESR GROUP LIMITED

- RECEIPT OF APPROVAL-IN-PRINCIPLE FOR THE LISTING AND QUOTATION OF UP TO 23,698,245 NEW STRAITS SHARES FOR THE DISTRIBUTION *IN SPECIE*
- UPDATE ON SHAREHOLDERS' APPROVAL FOR THE DISTRIBUTION *IN SPECIE*

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement by The Straits Trading Company Limited (the "**Company**") dated 14 August 2022 titled "Proposed Special Dividend via Distribution in specie of Shares in The Straits Trading Company Limited or ESR Group Limited" (the "**14 August Announcement**").*

*The expressions "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.*

1. INTRODUCTION

1.1 Background

On 14 August 2022, the Company announced that it is proposing to undertake a distribution *in specie* (the "**Proposed Distribution**") of new ordinary shares of the Company ("**Straits Shares**"), or at the shareholders' election, up to 62,758,837 ordinary shares (the "**ESR Distribution Shares**") in the issued share capital of ESR Group Limited ("**ESR**") to shareholders of the Company ("**Shareholders**") in accordance with the Distribution Ratio (as defined below) and in the manner described herein. The ESR Distribution Shares are currently held by Straits Equities Holdings (One) Pte. Ltd. ("**SE1**"), a wholly-owned subsidiary of the Company.

A copy of the 14 August Announcement is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

1.2 Method of Distribution and Distribution Ratio

Where Shareholders elect to receive ESR Distribution Shares, SE1 will undertake a distribution *in specie* of the ESR Distribution Shares held by SE1 to the Company, and in turn, the Company will undertake a distribution *in specie* of the ESR Distribution Shares to the Shareholders. To facilitate the Proposed Distribution, the Company will procure SE1 to distribute the ESR Distribution Shares directly to the Shareholders, on the basis of **145** ordinary shares in the issued share capital of ESR ("**ESR Shares**") for 1000 Straits Shares (the "**Distribution Ratio**") held by Shareholders or on their behalf as at the Books Closure Date (as defined below), fractional entitlements to be disregarded.

The distribution of the new Straits Shares under the Proposed Distribution will be in accordance with a prescribed swap ratio of **180** Straits Shares : **145** ESR Shares, derived from the relative closing prices of the Company and ESR over the preceding 40 trading days prior to 12 August 2022 (being the last full trading day of ESR Shares on The Stock Exchange of Hong Kong Limited (“**HKEX**”) prior to the 14 August Announcement.

An Entitled Shareholder may elect to receive either new Straits Shares only, or ESR Distribution Shares only. No Entitled Shareholder will receive both (whether in full or partially) of its entitlement of new Straits Shares and ESR Distribution Shares under the Proposed Distribution.

Please refer to the 14 August Announcement for more information on the details of the Proposed Distribution, as well as the rationale for and the financial effects of the Proposed Distribution.

1.3 No Payment Required from Shareholders

Shareholders will receive the new Straits Shares or ESR Distribution Shares free of cash outlay.

The ESR Distribution Shares will be distributed to Shareholders free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is effected, except that the ESR Distribution Shares shall not be entitled to any dividend, right, allotment or other distributions, the record date for which falls on or before the Books Closure Date.

The new Straits Shares shall upon issue, rank *pari passu* in all respects with the existing ordinary shares of the Company, except for any dividend, right, allotment or other distributions, the record date for which falls on or before the Books Closure Date.

2. RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST FOR LISTING AND QUOTATION OF UP TO 23,698,245 NEW STRAITS SHARES

2.1 Issuance of ESR Distribution Shares and New Straits Shares

The ESR Distribution Shares to be issued under the Proposed Distribution have been issued and are currently held by SE1.

The new Straits Shares to be issued under the Proposed Distribution will be issued pursuant to the existing general mandate granted by Shareholders to the Directors for share issues at the Company’s annual general meeting held on 28 April 2022. On 2 September 2022, an application was made by the Company for the listing and quotation of up to 23,698,245 new Straits Shares on the Main Board of the SGX-ST (“**Additional Listing Application**”).

2.2 Receipt of Approval In-Principle

Further to the 14 August Announcement, the board of directors of the Company wishes to announce that it has today received approval in-principle (the “**AIP**”) for the Additional Listing Application.

The SGX-ST's AIP is not to be taken as an indication of the merits of the new Straits Shares, the Company and/or its subsidiaries, and is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) submission of a written confirmation that the issuance of the new Straits Shares under the Proposed Distribution is in compliance with the Companies Act 1967 of Singapore.

3. UPDATE ON SHAREHOLDERS' APPROVAL FOR THE DISTRIBUTION *IN SPECIE*

As announced in the 14 August Announcement, the distribution of ESR Distribution Shares under the Proposed Distribution is subject to the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at the extraordinary general meeting to be convened (the "**EGM**"). The Company has decided that it is in the interest of shareholders to first proceed with the Proposed Distribution expeditiously ahead of the EGM, and to ratify this subsequently through Shareholders' approval at a later date and in any event no later than the next annual general meeting of the Company. To support such ratification of the Proposed Distribution, the Company has as at the date of this announcement secured an irrevocable undertaking from Tecity Pte. Ltd., a controlling shareholder of The Cairns Pte. Ltd., that it will procure The Cairns Pte. Ltd. (which directly holds more than 50% of total Straits Shares and thus has sufficient voting rights to pass the ordinary resolution required for the Proposed Distribution) to vote in favour of the Proposed Distribution.

As mentioned in paragraph 2.1 of this announcement, the new Straits Shares to be issued under the Proposed Distribution will be issued pursuant to the existing general mandate granted by Shareholders to the Directors for share issues at the Company's annual general meeting held on 28 April 2022. Accordingly, the issuance of new Straits Shares under the Proposed Distribution will not be subject to any additional approval(s) by Shareholders.

4. PROCEDURES FOR THE PROPOSED DISTRIBUTION

4.1 Books Closure Date and Entitlements

The Company will thereafter announce the books closure date ("**Books Closure Date**") on which the share transfer books of the Company and the register of members of the Company ("**Register**") will be closed in order to determine the entitlements of Shareholders to the Proposed Distribution.

4.2 Depositors

In the case of Shareholders being Depositors, entitlements to the new Straits Shares or the ESR Distribution Shares will be determined on the basis of the number of Straits Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date.

4.3 Scrip Shareholders

In the case of Shareholders who hold Straits Shares registered in their own names in the Register, entitlements to the new Straits Shares or the ESR Distribution Shares will be determined on the basis of their holdings of Straits Shares in the Register as at the Books Closure Date.

4.4 CPFIS Entitled Shareholders

In the case of Entitled Shareholders who have purchased Straits Shares using their Central Provident Fund (“CPF”) funds (“**CPFIS Entitled Shareholders**”), entitlements to the new Straits Shares or the ESR Distribution Shares will be determined based on the number of Straits Shares held by the CPF agent banks on behalf of each CPFIS Entitled Shareholder as at the Books Closure Date.

4.5 SRS Entitled Shareholders

In the case of investors who have purchased Straits Shares using their Supplementary Retirement Scheme (“SRS”) funds (“**SRS Entitled Shareholders**”), entitlements to the new Straits Shares or the ESR Distribution Shares will be determined based on the number of Straits Shares held by the SRS approved banks on behalf of each SRS Entitled Shareholder as at the Books Closure Date.

4.6 Overseas Entitled Shareholders

Where the Board is of the view that the distribution of ESR Distribution Shares or new Straits Shares to any Overseas Entitled Shareholders (as defined below) may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the ESR Distribution Shares or new Straits Shares which such Overseas Entitled Shareholders would have been entitled to pursuant to the Proposed Distribution will not be distributed to such Overseas Entitled Shareholders. Instead, the relevant ESR Distribution Shares or new Straits Shares shall be transferred to such person(s) as the Board may appoint, to sell the relevant ESR Distribution Shares or new Straits Shares and thereafter to distribute the net proceeds proportionately among such Overseas Entitled Shareholders.

For the purposes of this announcement, “**Overseas Entitled Shareholders**” means Entitled Shareholders whose registered address appearing in the Register or the Depository Register (as the case may be) is outside Singapore. Shareholders who wish to change their registered address on the Register or the Depository Register to a Singapore address in substitution thereof prior to the Books Closure Date may do so by sending a notice in writing to Tricor Barbinder Share Registration Services Pte. Ltd., being the share registrar of the Company (in the case of a change of address on the Register), and CDP (in the case of a change of address on the Depository Register), respectively, no later than three (3) business days prior to the Books Closure Date.

The distribution of ESR Distribution Shares or new Straits Shares under the Proposed Distribution to the Overseas Entitled Shareholders may be subject to laws of jurisdictions outside Singapore. Overseas Entitled Shareholders residing or located in a jurisdiction other than Singapore should observe all legal and regulatory requirements applicable to them. It is the responsibility of the Overseas Entitled Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Proposed Distribution, including obtaining of any governmental, exchange control or other consents which may be required, or compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction.

4.7 Letter to Shareholders and Notice of Election

After the Books Closure Date, the Company will despatch a letter to Entitled Shareholders setting out further details on the Proposed Distribution and their options to receive either new Straits Shares or ESR Distribution Shares under the Proposed Distribution. Together with this letter to Entitled Shareholders, the Company will also despatch a notice of election for Entitled Shareholders with instructions for the election of the new Straits Shares or ESR Distribution Shares under the Proposed Distribution.

The Company will make further announcements at www.sgx.com and its corporate website when the letter to Entitled Shareholders and the notice of election have been despatched.

4.8 Circular to Shareholders

A circular to Shareholders in respect of the ratification of the distribution of the ESR Distribution Shares, together with a notice of the EGM to be convened, will be despatched after completion of the Proposed Distribution, and in any event, no later than the next annual general meeting of the Company.

By Order of the Board

Ngiam May Ling
Company Secretary
The Straits Trading Company Limited

15 September 2022

This Announcement will be available at the Company's website at <http://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 Cayman Limited and Far East Hospitality Holdings as well as a diversified property portfolio that is wholly owned by the Group.