

ANNOUNCEMENT

PRICING OF S\$370,000,000 3.25 PER CENT. SECURED EXCHANGEABLE BONDS

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1. INTRODUCTION

The Straits Trading Company Limited (the "**Company**" or the "**Issuer**") refers to its announcement dated 30 January 2023 (the "**Launch Announcement**") in relation to its proposed issue of S\$-denominated secured exchangeable bonds. Unless otherwise defined herein, terms defined in the Launch Announcement shall have the same meaning in this announcement unless otherwise defined herein.

The Bonds have been priced, and S\$370,000,000 in aggregate principal amount of secured exchangeable bonds due 2028 (the "**Bonds**"), exchangeable into ordinary shares of ESR Group Limited (the "**Shares**" or the "**Exchange Shares**"), have been fully placed with institutional investors and other investors.

2. PRINCIPAL TERMS AND CONDITIONS OF THE EXCHANGEABLE BONDS

The principal terms and conditions of the Bonds (the "**Terms and Conditions**") are summarised as follows:

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| Issue Size | : | S\$370,000,000 in principal amount of Bonds. |
| Issue Price | : | 100.00 per cent. of the principal amount of the Bonds. |

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| Settlement and Payment | : | Subject to fulfilment of the conditions of the subscription agreement dated 30 January 2023 relating to the Bonds entered into between the Issuer and Goldman Sachs (Asia) L.L.C. (the " Overall Coordinator and Sole Bookrunner "), settlement and payment for the Bonds is expected to take place in Singapore on or about 13 February 2023 or such other date as may be agreed between the Issuer and the Overall Coordinator and Sole Bookrunner (the " Issue Date "). |
| Interest and Interest Payment Dates | : | The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.25 per cent. per annum, payable semi-annually in arrear on 13 February and 13 August in each year, beginning on 13 August 2023. |
| Maturity Date | : | 13 February 2028. |
| Redemption Price | : | 100.00 per cent. of the principal amount. |
| Exchange Right | : | <p>Subject to the right of the Issuer to make a Cash Election (as defined below), each holder of the Bonds (a "Bondholder") has the right, subject to any applicable laws and regulations and in the manner described in the Terms and Conditions, to exchange a Bond at any time during the Exchange Period for a <i>pro rata</i> share of the Exchange Property (as defined herein) as at the relevant exchange date of the Bond.</p> <p>However, in the event of an offer or a scheme of arrangement, the Exchange Rights may be suspended as described in the Terms and Conditions.</p> |
| Exchange Property | : | <p>The Exchange Property shall initially comprise 100,253,182 Shares of par value of U.S.\$0.001 each, and shall include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Terms and Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property pursuant to the Terms and Conditions.</p> <p>In the Terms and Conditions:</p> <p>(a) "Relevant Securities" means Securities included in the Exchange Property from time to time, and "Relevant Security" shall be read accordingly; and</p> <p>(b) "Securities" means shares or other securities (including, without limitation, any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase such shares or other securities).</p> |
| Initial Exchange Price | : | HKD 22.00 per Share. |
| Initial Exchange Ratio | : | Subject to the right of the Issuer to make a Cash Election, on the exercise of Exchange Rights, Bondholders will initially be entitled to receive a <i>pro rata</i> share of 67,738.6364 Shares for |

each S\$250,000 principal amount of Bonds (subject to adjustment pursuant to the Terms and Conditions).

- Exchange Period : Subject to any applicable laws and regulations and upon compliance with the Terms and Conditions, the Exchange Right attaching to any Bond may be exercised by the holder thereof at any time on or after 27 March 2023 and up to the close of business (at the place where the registered certificate ("**Certificate**") representing the relevant Bond to be exchanged is deposited for exchange) on the earliest to occur of (A) the date which falls 10 business days prior to the Maturity Date (or, if such date shall not be a business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place) or (B) if such Bond shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place aforesaid) on the date which falls 10 business days prior to the date fixed for redemption thereof (or, if such date shall not be a business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place) or (C) the time at which the Bond Trustee declares the Bonds to be immediately due and payable pursuant to the Terms and Conditions.
- Adjustments to Exchange Property : The Bonds will contain provisions for the adjustment of the Exchange Property in the event of the occurrence of certain events relating to the Shares including, among others, share sub-divisions, consolidations or redenominations, rights issues, bonus issues, capital distributions and reorganisations.
- Cash Election : Notwithstanding anything contained in the Terms and Conditions, the Issuer may make an election (a "**Cash Election**") to satisfy the exercise of the Exchange Right in respect of the relevant Bonds, in whole or in part, by making payment, or procuring that payment is made, to the relevant Bondholder of a cash settlement amount (as determined in accordance with the Terms and Conditions) instead of delivering the *pro rata* share of the Exchange Property, together with any other amounts payable by the Issuer to such Bondholder pursuant to the Terms and Conditions in respect of, or relating to, the relevant exercise of Exchange Rights.
- Status of the Bonds : The Bonds will constitute direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner provided in the Terms and Conditions and in the deed of charge dated on or about the Issue Date between Straits Phoenix Pte. Ltd. and The Bank of New York Mellon, London Branch as security trustee. The Bonds shall at all times rank *pari passu* and without any preference among themselves.
- Redemption at the Option of the Issuer : The Bonds may be redeemed at the option of the Issuer in whole, but not in part, in accordance with the Terms and Conditions, at their principal amount, together with interest accrued but unpaid thereon to but excluding the relevant date fixed for redemption:

- a) at any time on or after 28 February 2026, **provided that** the aggregate value of the Exchange Property on each of not less than 20 trading days in any period of 30 consecutive trading days the last day of which period occurs no more than five trading days immediately prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded 130 per cent. of the aggregate principal amount of the Bonds then outstanding on such trading day;
- b) at any time if prior to the date on which the relevant notice of redemption is given by the Issuer, less than 10 per cent. in principal amount of the Bonds originally issued (including any further bonds consolidated and forming a single series with the Bonds at such date) remain outstanding,

as further described in the Terms and Conditions.

Redemption for Relevant Redemption Event : At any time following the occurrence of a Relevant Redemption Event (as defined below), a Bondholder will have the right, at such Bondholder's option, to require the Issuer to redeem all, but not some only, of such Bondholder's Bonds on the relevant redemption event put date at their principal amount, together with interest accrued but unpaid thereon to but excluding the relevant redemption event put date.

In the Terms and Conditions:

- a) **"Alternative Stock Exchange"** means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;
- b) **"Change of Shareholding Event"** occurs when Tan Chin Tuan Pte. Ltd. ceases to own beneficially (whether directly or indirectly) at least 51 per cent. of the issued share capital for the time being of the Issuer;
- c) **"Hong Kong Stock Exchange"** means The Stock Exchange of Hong Kong Limited; and
- d) **"Relevant Redemption Event"** will be deemed to occur:
 - (i) when the Shares cease to be listed or admitted to trading, or are suspended from trading for a period exceeding 30 consecutive trading days, on the Hong Kong Stock Exchange (and if applicable, the Alternative Stock Exchange); or
 - (ii) when there is a Change of Shareholding Event.

- Redemption for Taxation Reasons : The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time in accordance with the Terms and Conditions at their principal amount, together with interest accrued but unpaid thereon to but excluding the date fixed for redemption, if the Issuer satisfies the Bond Trustee immediately prior to the giving of such notice that:
- (i) the Issuer has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of Singapore any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 30 January 2023, and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.
- Listing : Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Bonds on the Official List SGX-ST.
- Governing Law : English law.

3. INTERESTS OF DIRECTORS

None of the directors of the Company has any interest, direct or indirect, in the Issue, other than through their respective shareholdings in the Company.

By Order of the Board

Ngiam May Ling
Company Secretary

The Straits Trading Company Limited

31 January 2023
Singapore

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 producers, 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.