

CIRCULAR DATED 28 OCTOBER 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND CONSIDER IT IN ITS ENTIRETY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the share capital of The Straits Trading Company Limited, please forward this Circular and the attached notice of Extraordinary General Meeting and Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Circular.



A MEMBER OF THE TECITY GROUP

THE STRAITS TRADING COMPANY LIMITED

(Company Registration No. 188700008D)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SALE OF THE STRAITS TRADING BUILDING

Important Dates and Times:

- Last date and time for lodgement of Proxy Form : Wednesday, 12 November 2014 at 11.00 a.m.
- Date and time of Extraordinary General Meeting : Friday, 14 November 2014 at 11.00 a.m.
- Place of Extraordinary General Meeting : Symphony II and III, Level 2
Rendezvous Hotel Singapore
9 Bras Basah Road
Singapore 189559

TABLE OF CONTENTS

	Page
DEFINITIONS	3
LETTER TO THE SHAREHOLDERS	
1. INTRODUCTION	6
2. SALIENT TERMS OF THE PROPOSED SALE	8
3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SALE AND INTENDED USE OF PROCEEDS	9
4. FINANCIAL EFFECTS OF THE PROPOSED SALE	9
5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL	10
6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS	11
7. DIRECTORS' SERVICE CONTRACTS	11
8. DIRECTORS' RECOMMENDATIONS	11
9. EXTRAORDINARY GENERAL MEETING	11
10. ACTION TO BE TAKEN BY SHAREHOLDERS	11
11. DIRECTORS' RESPONSIBILITY STATEMENT	12
12. INSPECTION OF DOCUMENTS	12
NOTICE OF EXTRAORDINARY GENERAL MEETING	13
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless otherwise stated or the context otherwise requires:

- “Board”** : The board of Directors as at the date of this Circular
- “Book Value”** : The book value of the Property, which is S\$405.0 million as at 30 June 2014 (based on the Unaudited 2Q2014 Results)
- “Building”** : The building known as the “Straits Trading Building” situated at 9 Battery Road, Singapore 049910 (including the car parks situated at the Building, and service, loading and other areas serving the Building)
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to the Shareholders dated 28 October 2014
- “Committed Gross Rent”** : The rent and service charge payable by the tenants and licensees of the Property as at 1 March 2015
- “Companies Act”** : The Companies Act (Chapter 50 of Singapore), as may be amended or modified from time to time
- “Company”** : The Straits Trading Company Limited
- “Completion”** : Completion of the Proposed Sale pursuant to the Sale and Purchase Agreement
- “Conditions”** : Conditions precedent to Completion under the Sale and Purchase Agreement as described in Section 2.3 of this Circular
- “Consideration”** : The consideration payable for the acquisition of the Property as described in Section 2.1 of this Circular
- “Controlling Shareholder”** : Shall have the meaning ascribed to it in the Listing Manual
- “Directors”** : The directors of the Company as at the date of this Circular, and each a “**Director**”
- “DTZ”** : DTZ Debenham Tie Leung (SEA) Pte. Ltd.
- “EGM”** : The extraordinary general meeting of the Company, notice of which is set out on page 13 of this Circular
- “EPS”** : Earnings per Share
- “Group”** : The Company and its subsidiaries
- “Hong Kong”** : The Hong Kong Special Administrative Region of the People’s Republic of China
- “Land Lots”** : The following land lots, collectively:
- (a) the whole of Lot 391K of Town Subdivision 1 comprising a leasehold estate for (i) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (ii) the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862;

- (b) the whole of Lot 455W of Town Subdivision 1 comprising a leasehold estate for (i) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850; and (ii) the unexpired portion of a leasehold term of 999 years commencing from 9 March 1863;
- (c) the whole of Lot 700N of Town Subdivision 1 comprising a leasehold estate for the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862; and
- (d) the whole of Lot 393X of Town Subdivision 1 comprising a leasehold estate for (i) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (ii) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850

<u>“Listing Manual”</u>	:	The listing manual of the SGX-ST
<u>“Notice of EGM”</u>	:	Notice of the EGM which is set out on page 13 of this Circular
<u>“NTA”</u>	:	Net tangible asset value
<u>“Plant and Equipment”</u>	:	The fixed plant, mechanical and electrical equipment (including without limitation fixtures and fittings, air-conditioning equipment, lift installations, fire safety equipment, CCTVs, power generators and other plant and equipment necessary for the operation of the Building) located in or on the Building and which are owned by SDPL
<u>“Property”</u>	:	Collectively, the Land Lots, the Building and the Plant and Equipment
<u>“Proposed Sale”</u>	:	The proposed sale of the Property pursuant to the Sale and Purchase Agreement
<u>“Purchaser”</u>	:	Nine Battery Pte. Ltd.
<u>“Sale and Purchase Agreement”</u>	:	The conditional sale and purchase agreement dated 5 September 2014 entered into between the Vendor and the Purchaser
<u>“SDPL”</u>	:	Straits Developments Private Limited
<u>“Securities Account”</u>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
<u>“SGX-ST”</u>	:	Singapore Exchange Securities Trading Limited
<u>“Shares”</u>	:	Ordinary shares in the share capital of the Company
<u>“Shareholders”</u>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<u>“Unaudited 2Q2014 Results”</u>	:	The unaudited consolidated financial statements of the Group for the half year ended 30 June 2014
<u>“Valuation Report”</u>	:	The valuation report dated 3 September 2014 in respect of the Property and issued by DTZ

“Vendor” : The Company and SDPL

Currencies, Units and Others

“S\$” and “cents” : Singapore dollar and cents respectively, being the lawful currency of the Republic of Singapore

“%” or “percent” : Per centum or percentage

The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act (as defined herein).

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any word or term used in this Circular which is defined under the Companies Act, the Listing Manual (as defined herein) or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)
(Company Registration No. 188700008D)
(Incorporated in Singapore)

LETTER TO THE SHAREHOLDERS

Directors

Ms. Chew Gek Khim (*Executive Chairman*)
Mr. Razman Ariffin (*Independent and Non-Executive Director*)
Mrs. Elizabeth Sam (*Non-Independent and Non-Executive Director*)
Ms. Chew Gek Hiang (*Non-Independent and Non-Executive Director*)
Mr. Goh Kay Yong David (*Non-Independent and Non-Executive Director*)
Mr. Tham Kui Seng (*Independent and Non-Executive Director*)
Mr. Yap Chee Keong (*Non-Independent and Non-Executive Director*)
Mr. Gautam Banerjee (*Lead Independent Director*)
Mr. Tan Tiong Cheng (*Independent and Non-Executive Director*)
Dr. Gary Hilton Weiss (*Independent and Non-Executive Director*)

Registered Office

9 Battery Road
#28-01
Straits Trading Building
Singapore 049910

28 October 2014

To: The Shareholders of the Company

Dear Sir/Madam,

1. INTRODUCTION

1.1 The Proposed Sale

On 5 September 2014, the Board announced that The Straits Trading Company Limited (the "**Company**") and its wholly-owned subsidiary, Straits Developments Private Limited ("**SDPL**", together with the Company, the "**Vendor**"), had on 5 September 2014 entered into a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with Nine Battery Pte. Ltd. (the "**Purchaser**") in respect of the proposed sale of the Property (as defined herein) known as the "Straits Trading Building", which is situated at 9 Battery Road, Singapore 049910 (the "**Proposed Sale**").

The consideration payable by the Purchaser for the acquisition of the Property (the "**Consideration**") shall be S\$450.0 million (exclusive of applicable goods and services tax, for which the Purchaser shall also be liable).

Further details relating to the salient terms of the Proposed Sale under the Sale and Purchase Agreement are set out in Section 2 of this Circular.

The Proposed Sale constitutes a "major transaction" under Chapter 10 of the Listing Manual and is therefore subject to and conditional upon the approval of the Shareholders (as defined herein) by an ordinary resolution.

1.2 Information Relating to the Property

The Property, which is collectively held by the Company and SDPL, comprises:

(a) the following land lots (the "**Land Lots**"):

- (i) the whole of Lot 391K of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862;

- (ii) the whole of Lot 455W of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850; and (B) the unexpired portion of a leasehold term of 999 years commencing from 9 March 1863;
 - (iii) the whole of Lot 700N of Town Subdivision 1 comprising a leasehold estate for the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862; and
 - (iv) the whole of Lot 393X of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850;
- (b) the building known as the "Straits Trading Building" (the "**Building**") situated at 9 Battery Road, Singapore 049910 (including the car parks situated at the Building, and service, loading and other areas serving the Building); and
 - (c) the fixed plant, mechanical and electrical equipment (including without limitation fixtures and fittings, air-conditioning equipment, lift installations, fire safety equipment, CCTVs, power generators and other plant and equipment necessary for the operation of the Building) located in or on the Building and which are owned by SDPL (the "**Plant and Equipment**").

The Building is a 28-storey commercial office building in the central business district of Singapore, with a site area of 1,334 square metres and a net floor area of 14,762 square metres.

Based on the unaudited consolidated financial statements of the Group (as defined herein) for the half year ended 30 June 2014 (the "**Unaudited 2Q2014 Results**"), announced by the Company on 14 August 2014, both the book value of the Property (as at 30 June 2014 based on the Unaudited 2Q2014 Results) (the "**Book Value**") and the net tangible asset value ("**NTA**") of the Property are S\$405.0 million.

In view of the Proposed Sale, SDPL had commissioned an independent valuation of the Property by DTZ Debenham Tie Leung (SEA) Pte. Ltd. ("**DTZ**") to determine the latest open market value of the Property. The valuation report issued by DTZ dated 3 September 2014 (the "**Valuation Report**") has valued the Property at S\$410.0 million as at 31 August 2014 on an open market value basis based on its existing continued use, using a combination of both the Direct Comparison Approach as well as the Income Method. A copy of the Valuation Report will be available for inspection at the Company's registered office as described in Section 12 of this Circular.

1.3 Information Relating to the Purchaser

The Purchaser is a Singapore-incorporated company and is an indirect wholly-owned subsidiary of Legend Investment Holdings Limited, a private company incorporated in Hong Kong, which is the ultimate holding company of the group of companies operating under the "Sun Venture" namesake. This group currently owns and manages various commercial real estate in Singapore, and has a portfolio of commercial assets which includes an office building at 50 Scotts Road, four (4) floors at Samsung Hub, Westgate Tower and Paya Lebar Square.

1.4 Purpose of this Circular

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to the Proposed Sale, and to seek the approval of Shareholders for the Proposed Sale, tabled as an ordinary resolution set out in the Notice of EGM (as defined herein).

2. SALIENT TERMS OF THE PROPOSED SALE

The key terms of the Proposed Sale, as set out in the Sale and Purchase Agreement, are as follows:

2.1 Consideration for the Proposed Sale

The Consideration of S\$450.0 million is payable entirely in cash.

As at the date of this Circular, the Purchaser has paid the Vendor an initial non-refundable deposit of S\$9.0 million (representing two percent (2%) of the Consideration), and a further deposit of S\$36.0 million (representing eight percent (8%) of the Consideration) is held by the Vendor's solicitors as stakeholders to be released only on completion of the Proposed Sale pursuant to the Sale and Purchase Agreement ("**Completion**"). The balance of the Consideration of S\$405.0 million (being 90% of the Consideration) shall be paid by the Purchaser on Completion.

The Consideration was arrived at on a willing-seller, willing-buyer basis after arms' length negotiations between the Vendor and the Purchaser, after taking into account, amongst other things, (a) the prevailing market conditions for similar office properties; (b) other offers of interest received for the Property; (c) the Book Value and the NTA of the Property, being S\$405.0 million; (d) the open market value of the Property as set out in the Valuation Report, being S\$410.0 million; and (e) the rationale for and benefits of the Proposed Sale (described in more detail in Section 3 of this Circular).

2.2 Expected Completion Date

Subject to the fulfillment of the applicable conditions precedent to Completion (the "**Conditions**") (as described in Section 2.3 below), the Company expects Completion to take place on or about 18 December 2014 (unless parties mutually agree otherwise).

2.3 Conditions Precedent

Completion is subject to the following Conditions being fulfilled:

- (a) the approval of the Shareholders for the Proposed Sale, at an extraordinary general meeting of the Company to be convened, being granted no later than 9 December 2014 (or such other date as may be mutually agreed between the Vendor and the Purchaser in writing); and
- (b) the title to the Land Lots and the Plant and Equipment thereon being in order and free from encumbrances on Completion (including the existing registered mortgages which the Vendor has undertaken to discharge on Completion).

2.4 Condition of the Property

The Property is being sold in its present state and condition (subject to fair wear and tear) and the Purchaser shall purchase the Property with full notice of the floor areas of the Building. Pursuant to the Sale and Purchase Agreement, the Vendor is giving no warranty, representation or assurance as to the state, condition, nature, repair, quality, fitness, use or correctness of description or suitability for any purpose whatsoever and howsoever in respect of the Land Lots and/or the Property, and the Vendor shall be under no liability or obligation whatsoever to the Purchaser in this respect.

2.5 Key Undertakings

SDPL has also undertaken to the Purchaser that, as at Completion, the rent and service charge payable by the tenants and licensees of the Property as at 1 March 2015 (the "**Committed Gross Rent**") shall not be less than S\$1.5 million per month. In the event the Committed Gross Rent upon Completion is less than S\$1.5 million per month, SDPL has agreed to provide rent and service charge top-ups (together with goods and services tax thereon) until such time when the rent and service charge payable by the tenants and licensees of the Property amounts to S\$1.5 million per month or until the end of 2015, whichever is earlier.

SDPL currently occupies the office premises at the 28th floor of the Building. The Purchaser has agreed to lease the said premises back to SDPL for a term commencing from the date of Completion up to 31 December 2016 with a further one (1) year option for renewal.

For the avoidance of doubt, there is no proposal to appoint any person as a director of the Company in connection with the Proposed Sale.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SALE AND INTENDED USE OF PROCEEDS

The Company's existing businesses comprise stakes in real estate, hospitality and resources as separate engines of growth. With specific regard to the real estate engine, its focus is to develop a real estate eco-system, which is currently anchored by the Company's 89.5% interest in Straits Real Estate Pte. Ltd., its 20.1% interest in ARA Asset Management Ltd. and its aggregate 5.8% interest in Suntec REIT.

The Company has previously articulated to Shareholders its strategy of redeploying capital from its existing property portfolio of high quality, but low yielding investment properties into potentially higher return real estate opportunities. The prospect for the Company to monetise the Property is in line with this stated strategy.

The Proposed Sale at S\$450.0 million represents an 11.1% premium to the Book Value of the Property of S\$405.0 million. This will enable the Group to crystallise an estimated capital gain of S\$39.0 million (net of expenses) from the disposal of the Property. Based on historical cost of S\$70.6 million, the gain to the Group will be S\$373.3 million (net of expenses). The Company will seek to redeploy the proceeds from the Proposed Sale into higher return opportunities and to strengthen its real estate eco-system.

4. FINANCIAL EFFECTS OF THE PROPOSED SALE

The proforma financial effects of the Proposed Sale on the Group as set out below are **for illustrative purposes only** and do not reflect either the actual financial effects of the Proposed Sale on the Group, or the future financial performance and/or position of the Group immediately following the Completion of the Proposed Sale.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 (being the most recent completed financial year), and assuming the Proposed Sale is effected at the Consideration of S\$450.0 million and the total number of issued ordinary shares in the share capital of the Company ("**Shares**") is 408,095,772:

- (a) had the Proposed Sale been effected on 1 January 2013, the Group's basic earnings per Share ("**EPS**") would have been approximately 11.4 cents higher, as shown below:

Basic EPS of the Group for the financial year ended 31 December 2013	Basic EPS of the Group for the financial year ended 31 December 2013 (assuming Proposed Sale effected on 1 January 2013)
29.3 cents ⁽¹⁾	40.7 cents ⁽²⁾

Notes:

- (1) Based on the Group's net profit after tax attributable to owners of the Company for the financial year ended 31 December 2013 of approximately S\$119.5 million, divided by 408,095,772 Shares.
- (2) Based on the Group's estimated net profit after tax attributable to owners of the Company for the financial year ended 31 December 2013 (assuming the Proposed Sale was effected on 1 January 2013) of approximately S\$166.1 million, divided by 408,095,772 Shares.

- (b) had the Proposed Sale been effected on 31 December 2013, the Group's NTA per Share as at 31 December 2013 would have been approximately 11 cents higher, as shown below:

NTA per Share as at 31 December 2013	NTA per Share as at 31 December 2013 (assuming Proposed Sale effected on 31 December 2013)
S\$3.16 ⁽¹⁾	S\$3.27 ⁽²⁾

Notes:

- (1) Based on the Group's NTA as at 31 December 2013 of approximately S\$1,290.1 million, divided by 408,095,772 Shares.
- (2) Based on the Group's estimated NTA as at 31 December 2013 (assuming the Proposed Sale was effected on 31 December 2013) of approximately S\$1,334.1 million, divided by 408,095,772 Shares.

Based on the Unaudited 2Q2014 Results:

- (i) the estimated capital gain on disposal of the Property will be S\$39.0 million (net of expenses); and
- (ii) the Consideration of S\$450.0 million will be in excess of Book Value by S\$45.0 million.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Under Chapter 10 of the Listing Manual (which governs acquisitions and realisations), where any of the relative figures of an asset purchase or asset sale transaction, computed on the bases in Rule 1006 of the Listing Manual exceeds 20%, that transaction is classified as a "major transaction" and shall be subject to shareholders' approval.

The relative figures for the Proposed Sale computed on the bases set out in Rule 1006 of the Listing Manual, based on the Unaudited 2Q2014 Results, are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Property compared with the Group's net asset value, as at 30 June 2014 ⁽¹⁾	29.7
(b)	Net profits attributable to the Property compared with the Group's net profits, in each case for the six (6) months ended 30 June 2014 ⁽²⁾	951.8
(c)	Aggregate value of the Consideration compared with the market capitalisation of the Company as at 4 September 2014 ⁽³⁾	38.2
(d)	Number of equity securities issued by the Company as consideration for the Proposed Sale, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) Based on the net asset value of the Property as at 30 June 2014 of approximately S\$405.0 million, divided by the Group's net asset value as at 30 June 2014 of approximately S\$1,365.2 million.

- (2) *Based on the profit before income tax and non-controlling interests attributable to the Property for the six (6) months ended 30 June 2014 of approximately S\$9.8 million, divided by the Group's profit before income tax and non-controlling interests for the six (6) months ended 30 June 2014 of approximately S\$1.0 million. Any difference between the relative figure for Rule 1006(b) of 951.8% and the foregoing profit figures is due to rounding.*
- (3) *Based on the Consideration of S\$450.0 million, divided by the market capitalisation of the Company of approximately S\$1,177.3 million (based on the volume weighted average price of the Shares transacted on 4 September 2014, being the market day immediately preceding the date of the Sale and Purchase Agreement).*

Having regard to the above, the Proposed Sale constitutes a "major transaction" under Rule 1014 of the Listing Manual and accordingly, the Company has convened an extraordinary general meeting of the Company ("**EGM**") to seek the approval of Shareholders for the Proposed Sale.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors of the Company, and to the best of the Directors' knowledge, none of the Controlling Shareholders of the Company, has any interest, direct or indirect, in the Proposed Sale.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company or SDPL in connection with the Proposed Sale. Accordingly, no service contract is proposed to be entered into by the Company and SDPL.

8. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Sale is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution (as set out in the Notice of EGM) relating to the Proposed Sale to be proposed at the EGM.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 13 of this Circular, will be convened and held on 14 November 2014 at 11.00 a.m. at Symphony II and III, Level 2, Rendezvous Hotel Singapore, 9 Bras Basah Road, Singapore 189559, for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution to approve the Proposed Sale as set out in this Circular.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice of the EGM and a Proxy Form.

10.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form enclosed in this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 9 Battery Road #28-01 Straits Trading Building Singapore 049910, no later than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

10.2 When depositor regarded as Shareholder

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Sale, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. INSPECTION OF DOCUMENTS

The following documents will be available for inspection at the Company's registered office at 9 Battery Road #28-01 Straits Trading Building Singapore 049910 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Sale and Purchase Agreement;
- (b) the Valuation Report;
- (c) the memorandum and articles of association of the Company;
- (d) the annual report of the Company for the financial year ended 31 December 2013; and
- (e) the Unaudited 2Q2014 Results.

Yours faithfully

For and on behalf of
the Board of Directors of
THE STRAITS TRADING COMPANY LIMITED

Chew Gek Khim
Executive Chairman
28 October 2014



A MEMBER OF THE TECITY GROUP

THE STRAITS TRADING COMPANY LIMITED

(Company Registration No. 188700008D)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meanings as used in the circular to the shareholders of the Company dated 28 October 2014 (the "**Circular**")*

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of The Straits Trading Company Limited (the "**Company**") will be held on 14 November 2014 at 11.00 a.m. at Symphony II and III, Level 2, Rendezvous Hotel Singapore, 9 Bras Basah Road, Singapore 189559, for the purpose of considering, and if thought fit, passing, with or without any modifications, the resolution set out below.

ORDINARY RESOLUTION: THE PROPOSED SALE OF THE PROPERTY

THAT:

- (a) approval be and is hereby given for the Proposed Sale, on the terms and subject to the conditions set out in the Sale and Purchase Agreement; and
- (b) the directors of the Company and each of them to be and are/is hereby authorised to perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents including, without limitation, any document in connection with the Sale and Purchase Agreement or its appendices, as may be required), as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Sale and this resolution.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei
Company Secretary
28 October 2014

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to vote in his stead. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

This page has been intentionally left blank.

THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)
(Company Registration No. 188700008D)
(Incorporated in Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in The Straits Trading Company Limited, this Circular is sent to them at the request of their CPF Approved Nominees and is strictly **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name)

of _____ (Address)

being a member / members of The Straits Trading Company Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholding	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholding	
			No. of Shares	%

or failing him/her/them, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be held at Symphony II and III, Level 2, Rendezvous Hotel Singapore, 9 Bras Basah Road, Singapore 189559 **on 14 November 2014 at 11.00 a.m.**, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Please indicate your vote "For" or "Against" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

Ordinary Resolution	Number of Votes For	Number of Vote Against
To approve the Proposed Sale of the Property		

Dated this _____ day of _____ 2014

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal



IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.
4. This proxy form must be deposited at the registered office of the Company at 9 Battery Road #28-01, Straits Trading Building, Singapore 049910, no less than 48 hours before the time appointed for the EGM.

1st fold here

PLEASE
AFFIX
STAMP

The Straits Trading Company Limited
The Company Secretary
9 Battery Road #28-01
Straits Trading Building
Singapore 049910

2nd fold here

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified true copy thereof must be lodged with the instrument.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being an appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.