

CIRCULAR DATED 10 JUNE 2013

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

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

If you have sold or transferred all your shares in the capital of The Straits Trading Company Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed proxy form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



## **THE STRAITS TRADING COMPANY LIMITED**

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

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO:**

- (1) **The Proposed Disposal, being the disposal of the State Lease Term (as defined herein) in the following manner:**
  - (i) **the sale by Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited (the “Vendors”) and the purchase by DBS Trustee Limited, in its capacity as trustee of Far East H-REIT, of the 70 Years Lease of the Property and the Plant and Equipment (each as defined herein); and**
  - (ii) **the sale by the Vendors and the purchase by Serene Land Pte Ltd of the Balance Term Lease and the Hotel Undertaking (each as defined herein), and the transfer of the employees of Hotel Rendezvous Private Limited to Serene Land Pte Ltd; and**
- (2) **The Proposed Acquisition, being the allotment and issuance of the Consideration Securities (as defined herein) as part of the consideration for the Proposed Disposal.**

Financial Adviser to The Straits Trading Company Limited



**Standard Chartered Bank**

#### **IMPORTANT DATES AND TIMES**

Last Date and Time for Lodgement of Proxy Form	:	26 June 2013 at 10.30 a.m.
Date and Time of Extraordinary General Meeting	:	28 June 2013 at 10.30 a.m.
Place of Extraordinary General Meeting	:	Straits Ballrooms 2 and 3, Level 2 Rendezvous Grand Hotel Singapore 9 Bras Basah Road Singapore 189559

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Circular:

- “10 Day Period”** : In relation to the Stapled Securities in issue, the period of 10 Business Days commencing on the first day of “ex-dividend” trading in relation to the books closure date for the advanced distribution or, as the case may be, cumulative distribution declared by the manager of Far East H-REIT.
- For the purposes of this definition, “**Business Day**” means any day on which commercial banks are open for business in Singapore and the SGX-ST is open for trading (excluding a Saturday, Sunday or gazetted public holiday)
- “70 Years Lease”** : The leasehold estate in respect of the Property for a term of 70 years commencing from the completion of the Term Lease Agreement in accordance with its terms
- “Agreements”** : The Term Lease Agreement and the Balance Lease Agreement
- “Balance Lease Agreement”** : The sale and purchase agreement dated 15 April 2013 entered into between the Vendors and SLPL relating to the sale and purchase of the Balance Term Lease
- “Balance Term Lease”** : The remainder of the State Lease Term after subtracting the 70 Years Lease
- “Board”** : The board of Directors as at the Latest Practicable Date
- “Building”** : The building erected on the Property located at 9 Bras Basah Road, Singapore 189559 comprising the Hotel and the Retail Gallery
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 10 June 2013
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
- “Company”** : The Straits Trading Company Limited
- “Completion Date”** : The Scheduled Completion Date and/or 15 August 2013 (as the case may be)
- “Conditions”** : The conditions which are set out in **paragraph 3.2** of this Circular and which must be satisfied on or before the completion of the Agreements
- “Consideration Securities”** : The Stapled Securities to be allotted and issued to the Vendors (or as directed in writing by the respective Vendors at their discretion, to the Company or any wholly-owned subsidiary of the Company) pursuant to the Term Lease Agreement as partial consideration for the Proposed Disposal
- “DBS Trustee”** : DBS Trustee Limited, in its capacity as trustee of Far East H-REIT

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## DEFINITIONS

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<b>“Desktop Valuation”</b>	:	The update desktop valuation of the Hotel and the Retail Gallery which was commissioned by the Vendors and carried out by Knight Frank Pte Ltd in 2012
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Disposal Interest”</b>	:	The State Lease Term, the Property, the Plant and Equipment and the Hotel Undertaking
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 28 June 2013, notice of which is set out on pages 20 to 21 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“Far East H-BT”</b>	:	Far East Hospitality Business Trust
<b>“Far East H-REIT”</b>	:	Far East Hospitality REIT
<b>“Far East Hospitality Trust 1Q2013 Results”</b>	:	The unaudited consolidated financial statements of Far East Hospitality Trust for the financial period from 1 January 2013 to 31 March 2013 as announced by Far East Hospitality Trust on 8 May 2013
<b>“Far East Hospitality Trust 2012 Results”</b>	:	The audited consolidated financial statements of Far East Hospitality Trust for the financial period from 1 August 2012 to 31 December 2012
<b>“Hotel”</b>	:	The hotel component of the Building known as Rendezvous Grand Hotel Singapore
<b>“Hotel Undertaking”</b>	:	The undertaking in connection with HRPL’s business of owning and operating the Hotel, including, <i>inter alia</i> , the hotel contracts, the furniture, fixtures, furnishings and equipment for use in the operation of the Hotel
<b>“HRPL”</b>	:	Hotel Rendezvous Private Limited, a subsidiary of the Company
<b>“Last Trading Date”</b>	:	12 April 2013, being the last full market day preceding the date the Company announced the Proposed Transaction on which the Shares and Stapled Securities were traded on the SGX-ST
<b>“Latest Practicable Date”</b>	:	3 June 2013, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Master Lease”</b>	:	The master lease agreement to be entered into between, <i>inter alia</i> , DBS Trustee and SLPL in respect of the Hotel
<b>“NAV”</b>	:	Net asset value, where net assets means total assets less total liabilities
<b>“Notice of EGM”</b>	:	The notice of EGM which is set out on pages 20 to 21 of this Circular
<b>“NTA”</b>	:	Net tangible assets

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## DEFINITIONS

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“Plant and Equipment”	:	All plant, machinery, equipment and all component parts located in the Property (excluding the furniture, fixtures, furnishings and equipment for use in the operation of the Hotel and equipment leased or loaned from third parties)
“Property”	:	The whole of Government Resurvey Lot 457K of Town Subdivision 11 at 9 Bras Basah Road, Singapore 189559 together with the Building erected thereon and comprised in the State Lease Term
“Proposed Acquisition”	:	The allotment and issuance of the Consideration Securities to the Vendors as part of the consideration for the Proposed Disposal
“Proposed Disposal”	:	The proposed disposal of the State Lease Term in the manner set out in <b>paragraph 1.1.1</b> of this Circular
“Proposed Transaction”	:	The Proposed Disposal and the Proposed Acquisition
“REIT”	:	Real estate investment trust
“Retail Gallery”	:	The retail component of the Building known as Rendezvous Gallery
“RPPL”	:	Rendezvous Properties Private Limited, a subsidiary of the Company
“Scheduled Completion Date”	:	The date on which completion of the Agreements takes place, being the latest of the following dates:  (i) the date falling 15 Business Days after the date on which the Vendors notify Far East H-REIT and SLPL in writing of the satisfaction of the Conditions;  (ii) 1 August 2013; or  (iii) such other date as may be agreed in writing between the Vendors and Far East H-REIT or SLPL (as the case may be).  For the purposes of this definition, “ <b>Business Day</b> ” means a day on which commercial banks are open for business in Singapore (excluding Saturdays, Sundays and public holidays)
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose Securities Accounts are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SLA”	:	Singapore Land Authority
“SLPL”	:	Serene Land Pte Ltd
“Standard Chartered Bank”	:	Standard Chartered Bank, the financial adviser to the Company in connection with the Proposed Transaction

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## DEFINITIONS

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“ <b>Stapled Securities</b> ”	:	The stapled securities of Far East Hospitality Trust, each comprising one unit representing an undivided interest in Far East H-BT and one unit representing an undivided interest in Far East H-REIT
“ <b>State Lease</b> ”	:	State Lease No. 20439 relating to the Property as supplemented by the indenture of supplemental lease dated 5 November 2012 between the President of Republic of Singapore and his successors-in-office of the one part and the Vendors of the other part
“ <b>State Lease Term</b> ”	:	The State Lease for a leasehold term of 99 years commencing from 30 March 1994
“ <b>STC 1Q2013</b> ”	:	The first financial quarter for the STC Group ended 31 March 2013
“ <b>STC FY2012</b> ”	:	The financial year for the STC Group ended 31 December 2012
“ <b>STC Group</b> ”	:	The Company and its subsidiaries
“ <b>STC Group 1Q2013 Results</b> ”	:	The unaudited consolidated financial statements of the STC Group for STC 1Q2013 as announced by the Company on 13 May 2013
“ <b>STC Group FY2012 Results</b> ”	:	The audited consolidated financial statements of the STC Group for STC FY2012 as set out in the Company’s annual report for STC FY2012
“ <b>Term Lease Agreement</b> ”	:	The sale and purchase agreement dated 15 April 2013 entered into between the Vendors and DBS Trustee relating to the sale and purchase of the 70 Years Lease
“ <b>Vendors</b> ”	:	HRPL and RPPL
“ <b>VWAP</b> ”	:	Volume weighted average price
“ <b>S\$</b> ” or “ <b>cents</b> ”	:	Singapore dollars or Singapore cents, respectively
“ <b>%</b> ”	:	Per centum or percentage

**Controlling Shareholder.** The term “**controlling shareholder**” shall have the same meaning ascribed to it in the Listing Manual.

**Depositors.** The terms “**depositor**” and “**depository register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

**Genders.** 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 and *vice versa*. References to persons shall, where applicable, include corporations.

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

**Rounding.** Any discrepancies in tables included in this Circular between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## DEFINITIONS

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**Statutes.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to that term under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be.

**Subsidiary, Related Corporation.** The terms “**subsidiary**” and “**related corporation**” shall have the same meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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### THE STRAITS TRADING COMPANY LIMITED

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

**Directors:**

Ms Chew Gek Khim (Executive Chairman)  
Tan Sri Dato' Dr Lin See-Yan (Independent and Non-Executive Director)  
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 David Goh Kay Yong (Non-Independent and Non-Executive Director)  
Mr Yap Chee Keong (Executive Director)  
Mr Tham Kui Seng (Independent and Non-Executive Director)  
Mr Gautam Banerjee (Lead Independent Director and Non-Executive Director)

**Registered Office:**

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

10 June 2013

To: **The Shareholders of The Straits Trading Company Limited**

Dear Sir/Madam,

**1. INTRODUCTION**

**1.1 EGM.** The Directors are convening the EGM to seek Shareholders' approval of the Proposed Transaction as an ordinary resolution, which comprises the following:

**1.1.1** the proposed disposal of a leasehold term of 99 years commencing from 30 March 1994 ("**State Lease Term**") in the state lease No. 20439 relating to the whole of Government Resurvey Lot 457K of Town Subdivision 11 at 9 Bras Basah Road, Singapore 189559, as supplemented by the indenture of supplemental lease dated 5 November 2012 between the President of Republic of Singapore and his successors-in-office of the one part and Hotel Rendezvous Private Limited ("**HRPL**") and Rendezvous Properties Private Limited ("**RPPL**"), each a subsidiary of the Company (collectively, the "**Vendors**") of the other part ("**State Lease**"), together with the Rendezvous Grand Hotel Singapore ("**Hotel**") and the Rendezvous Gallery ("**Retail Gallery**") erected thereon ("**Property**") for an aggregate consideration of S\$285.0 million in the following manner:

- (i) the sale by the Vendors, and the purchase by DBS Trustee (in its capacity as trustee of Far East Hospitality REIT ("**Far East H-REIT**")) of the 70 Years Lease of the Property and the Plant and Equipment; and
- (ii) the sale by the Vendors and the purchase by Serene Land Pte Ltd ("**SLPL**"), a member of the Far East Organization group of companies, of the remainder of the State Lease Term after subtracting the 70 Years Lease ("**Balance Term Lease**") and the Hotel Undertaking, and the transfer of HRPL's employees to SLPL, and

**1.1.2** the allotment and issuance of stapled securities in Far East Hospitality Trust (each comprising one unit representing an undivided interest in Far East Hospitality Business Trust ("**Far East H-BT**") and one unit representing an undivided interest in Far East H-REIT) ("**Stapled Securities**", and such Stapled Securities to be allotted and issued to the Vendors (or its nominees), the "**Consideration Securities**") to satisfy S\$68.0 million of the consideration for the Proposed Disposal ("**Proposed Acquisition**"). The value of the Consideration Securities represents approximately 23.86% of the consideration for the Proposed Disposal.



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## LETTER TO SHAREHOLDERS

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The Vendors and Far East H-REIT have agreed that the number of Consideration Securities shall be determined by dividing S\$68.0 million by the issue price of the Stapled Security, where such issue price shall be computed based on the VWAP for a Stapled Security for all trades on the SGX-ST for the period of 10 Business Days commencing on the first day of “ex-dividend” trading in relation to the books closure date for the advanced distribution or, as the case may be, cumulative distribution declared by the manager of Far East H-REIT (“**10 Day Period**”). Accordingly, the number of Consideration Securities to be issued can only be determined after the 10 Day Period.

For the purposes of the 10 Day Period, a “**Business Day**” means any day on which commercial banks are open for business in Singapore and the SGX-ST is open for trading (excluding a Saturday, Sunday or gazetted public holiday).

- 1.2 Circular.** The purpose of this Circular is to provide Shareholders with information relating to the ordinary resolution in respect of the Proposed Transaction to be proposed at the EGM, and to seek Shareholders’ approval of the same at the forthcoming EGM.

## **2. PROPOSED TRANSACTION**

- 2.1 Background.** On 15 April 2013, the Company announced that the Vendors had entered into two inter-conditional sale and purchase agreements in respect of the Proposed Disposal in the following manner:

**2.1.1** in respect of the Term Lease Agreement, the sale by the Vendors and the purchase by DBS Trustee of the 70 Years Lease of the Property, comprising the Hotel and the Retail Gallery, and the Plant and Equipment; and

**2.1.2** in respect of the Balance Lease Agreement, the sale by the Vendors and the purchase by SLPL of the Balance Term Lease and the Hotel Undertaking and the transfer of HRPL’s employees to SLPL.

As part of the consideration for the Proposed Disposal, the Vendors (or their nominees) will be allotted and issued the Consideration Securities. Further information on the Consideration Securities and the Far East Hospitality Trust are set out in **paragraphs 4.2 and 4.3** of this Circular respectively.

- 2.2 Information on Assets to be Disposed of and Description of Trade.** The Vendors are the registered proprietors of the Property which comprises the Hotel and the Retail Gallery. The Hotel is a 4.5 star hotel development with 298 guest rooms, located at the junction of Bras Basah Road and Prinsep Street. The Property was developed by the STC Group in the 1990s and recently underwent major renovation and refurbishments in 2011 and 2012. Adjoining the Hotel is the Retail Gallery, which is a 3-storey conservation building with food & beverage outlets. The Hotel and the Retail Gallery is a 99 year leasehold interest with effect from 30 March 1994 and has a remaining tenure of approximately 80 years. The Hotel and the Retail Gallery were officially opened in 1998. The land area of the Property is approximately 4,695 square metres, the Hotel and the Retail Gallery has an approved gross floor area excluding the car park of approximately 19,720 square metres, and the Retail Gallery on a standalone basis has a lettable floor area of approximately 2,295 square metres. The Company operates the Hotel under the “Rendezvous” brand name.

Upon completion of the Proposed Disposal:

**2.2.1** DBS Trustee will be the registered proprietor of the Property for the 70 Years Lease;

**2.2.2** SLPL will be the registered proprietor of the Property for the Balance Term Lease; and

**2.2.3** DBS Trustee will sublet the hotel component of the Property to SLPL under the Master Lease.

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## LETTER TO SHAREHOLDERS

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**2.3 Approvals Required.** As the Proposed Transaction will constitute a major transaction under Chapter 10 of the Listing Manual, the Proposed Transaction will be subject to the approval of Shareholders at the EGM.

### 3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

**3.1 Consideration.** The aggregate consideration to be received for the Proposed Disposal is S\$285.0 million, as more particularly set out in **paragraph 4** of this Circular. The aggregate consideration was determined by the book value of the Disposal Interest as at 31 December 2012, being S\$285.1 million, and the market value of the Stapled Securities, based on the VWAP of S\$1.1375 for each Stapled Security on 12 April 2013.

**3.2 Conditions.** The Proposed Transaction is conditional upon satisfaction of certain conditions, or their satisfaction subject only to completion of the Agreements including, *inter alia*:

**3.2.1** approval by the Shareholders of each of the Agreements;

**3.2.2** approval by the unitholders of Far East H-REIT and Far East H-BT (if required) of, *inter alia*, the Term Lease Agreement, the Master Lease, the issue and placement of Stapled Securities to the Far East Organization group, the issue of Consideration Securities and such other matters in connection therewith;

**3.2.3** the in-principle approval from the SGX-ST having been obtained for, *inter alia*, the listing of and quotation of the Consideration Securities on the SGX-ST, and where such approval is subject to any conditions, such conditions having been fulfilled; and

**3.2.4** evidence of acknowledgement from the SLA that the SLA is aware of the excess gross floor area of 240.51 square metres (or such other lesser amount which the Vendors and Far East H-REIT may mutually agree to), which is the approximate amount by which the actual gross floor area of the Property exceeds the gross floor permitted under the State Lease, and that there is no pending action taken by the head lessor under the State Lease to re-enter and terminate the State Lease.

As at the Latest Practicable Date, the Conditions in **paragraphs 3.2.2, 3.2.3 and 3.2.4** above have been satisfied.

**3.3 Completion Date.** Completion of the Agreements shall take place concurrently and shall fall on the Scheduled Completion Date. If Far East H-REIT requires a mortgage to be created in respect of the 70 Years Lease, Far East H-REIT shall obtain written approval from the SLA for the same. If such consent is not obtained by Far East H-REIT by 28 June 2013, then the Scheduled Completion Date shall be extended to 15 August 2013, unless extension of the Scheduled Completion Date is waived by Far East H-REIT and notified to the Vendors and SLPL on or before 28 June 2013, in which case completion of the Agreements shall take place on the Scheduled Completion Date. The 70 Years Lease will commence on the Completion Date.

### 3.4 Termination Rights.

**3.4.1** Each of the Agreements:

- (i) may be terminated by the Vendors, Far East H-REIT, or SLPL (as the case may be) in its or their sole discretion if, *inter alia*, the Conditions are not satisfied on or before 28 June 2013; and/or
- (ii) will terminate automatically, in the case of the Term Lease Agreement, if the Balance Lease Agreement is terminated for any reason, and in the case of the Balance Lease Agreement, if the Term Lease Agreement is terminated for any reason.

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## LETTER TO SHAREHOLDERS

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**3.4.2** The Term Lease Agreement may be terminated as follows:

- (i) by Far East H-REIT, if there is a breach of the warranties set out therein by any of the Vendors which results or is likely to result in Far East H-REIT suffering any loss and/or damage, and/or being required to incur, any sum(s) in excess of an aggregate amount of S\$65.0 million if Far East H-REIT proceeds with the purchase of the 70 Years Lease and the Plant and Equipment; or
- (ii) by either the Vendors or Far East H-REIT, if prior to completion of the Term Lease Agreement the Property is materially damaged. For the purposes of the Agreements, “**materially damaged**” means damage or destruction of the Property or any part thereof resulting in at least 75% of the total number of hotel rooms being rendered unusable for the purposes of the Hotel or the total costs for the reinstatement of which (as estimated by a qualified and independent quantity surveyor) exceeds 50% of the aggregate consideration in respect of the Term Lease Agreement.

**3.4.3** The Balance Lease Agreement:

- (i) may be terminated by SLPL if there is a breach of the warranties set out therein by any of the Vendors which results or is likely to result in SLPL suffering any loss and/or damage, and/or being required to incur, any sum(s) in excess of an aggregate amount of S\$10.0 million if SLPL proceeds with the purchase of the Balance Term Lease and the Hotel Undertaking; or
- (ii) will concurrently and automatically terminate if prior to completion of the Balance Lease Agreement, the Property is materially damaged and the Term Lease Agreement is terminated or rescinded by either party as a result of any such damage.

**3.5 Other Material Provisions.** Some of the other material provisions in respect of the Agreements include the following:

**3.5.1** if the Property or any part of it is damaged but not materially damaged, the Vendors shall be obliged to repair the damage subject to the following:

- (i) repair work does not extend to scheduled M&E works that the Vendors are liable for under the Term Lease Agreement and damage due to fair wear and tear; and
- (ii) in respect of all items of repair for damage arising from any one occurrence:
  - (a) where the aggregate cost of such items of repair does not exceed S\$10,000, the whole of such cost shall be fully borne by Far East H-REIT;
  - (b) where the aggregate cost of such items of repair exceeds S\$10,000, the whole of such cost (including for the avoidance of doubt, the first S\$10,000) shall be fully borne by the Vendors,

provided always that the Vendor’s obligation to pay for all repair works as set out in this **paragraph 3.5.1** of this Circular shall be subject to a maximum cap of 50% of the aggregate consideration in respect of the Term Lease Agreement; and

**3.5.2** if the sale is not completed on or before the Completion Date and the delay in completion of the Term Lease Agreement or the Balance Lease Agreement (as the case maybe) is due solely to the default of:

- (i) Far East H-REIT or SLPL (as the case may be) (excluding in the case of Far East H-REIT any failure by Far East H-REIT to satisfy the Conditions set out in **paragraphs 3.2.2 and 3.2.3** above and excluding, in the case of SLPL, any non-satisfaction of the Conditions); or

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## LETTER TO SHAREHOLDERS

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- (ii) the Vendors (excluding, in the case of the Term Lease Agreement, any failure by the Vendors to satisfy the Conditions set out in **paragraphs 3.2.1 and 3.2.4** above, and, in the case of the Balance Lease Agreement, any failure by the Vendors to satisfy the Condition set out in **paragraph 3.2.1** above and any non-satisfaction of the Conditions set out in **paragraphs 3.2.2, 3.2.3 and 3.2.4** above),

the relevant defaulting party must pay interest (as liquidated damages) commencing on the day following the Completion Date, up to and including the date of actual completion. Interest will be calculated on the relevant aggregate consideration payable under the respective Agreements at 8% per annum.

#### 4. CONSIDERATION RECEIVED FOR THE PROPOSED TRANSACTION

**4.1 Aggregate Consideration Received.** The aggregate consideration that the Company will receive for the Proposed Transaction is S\$285.0 million, comprising:

**4.1.1** in respect of the Term Lease Agreement, S\$264.3 million payable in the following manner:

- (i) S\$68.0 million by way of allotment and issuance of the Consideration Securities to the Vendors (or their nominees); and
- (ii) S\$196.3 million in cash; and

**4.1.2** in respect of the Balance Lease Agreement, S\$20.7 million in cash.

**4.2 Further Information on the Consideration Securities.** The Consideration Securities shall rank *pari passu* with the existing Stapled Securities, save for the entitlement to distributions which is to be declared by the manager of Far East H-REIT in respect of the period up to the day immediately prior to the date the Consideration Securities are issued. The Consideration Securities will be entitled to distributions in respect of the period from and including the date the Consideration Securities are issued.

Pursuant to a letter dated 26 April 2013 from HRPL and RPPL to DBS Trustee (in its capacity as trustee of Far East H-REIT), RPPL has nominated HRPL to be issued and allotted the Consideration Securities due to RPPL under the Term Lease Agreement.

HRPL will undertake to Far East H-REIT on Completion Date that it will not, without the prior written consent of Far East H-REIT, during the period commencing from the Completion Date until the date falling 180 days after the Completion Date, directly or indirectly offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, any or all of its direct and indirect effective interest in the Consideration Securities (or any securities convertible into or exchangeable for any such Consideration Securities or part thereof or which carry rights to subscribe for or purchase any such Consideration Securities or part thereof). The foregoing restriction does not apply to, *inter alia*, the creation of a charge over the Consideration Securities or otherwise grant of security over or creation of any encumbrance over the Consideration Securities.

**4.3 Information on Far East Hospitality Trust.** The Far East Hospitality Trust comprises the Far East H-REIT and the Far East H-BT. Far East H-REIT is a Singapore-based REIT established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. Far East H-BT has been dormant since the listing of Far East Hospitality Trust on the Main Board of the SGX-ST on 27 August 2012.

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## LETTER TO SHAREHOLDERS

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**4.4 Pricing Factors.** The aggregate consideration to be received for the Proposed Transaction was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, *inter alia*, the book value of the Disposal Interest as at 31 December 2012, being S\$285.1 million, and the market value of the Stapled Securities, based on the VWAP of S\$1.1375 for each Stapled Security on 12 April 2013.

### 5. RATIONALE FOR THE PROPOSED TRANSACTION

**5.1 Long Term Growth Strategy.** As part of its corporate policy, the Company continuously evaluates long term growth options with respect to each of its portfolio businesses to enhance Shareholders' interests. As stated in **paragraph 5.3** of this Circular, since 2009, the Company has invested in rebranding and refurbishments, which has resulted in an increase in book value of approximately S\$117 million in the value of the Disposal Interest from 2009 to 2012. As part of its business review process, the Company believes that the Proposed Disposal would benefit its Shareholders as it enables the Company to realize gross cash proceeds of S\$217.0 million, while retaining exposure to future upside to the Singapore hospitality sector through its S\$68.0 million holdings in the Consideration Securities. As stated in **paragraph 5.5** of this Circular, the Company will target to deploy the estimated net cash proceeds of S\$216.0 million (after deducting estimated transactional costs) in investments that it deems to be value accretive so as to enhance Shareholders' interests.

**5.2 Transformation of Portfolio and Realisation of Gains.** The Proposed Transaction is in line with the Company's overall strategy to transform its portfolio of businesses into growth engines and unlock value through realisation of gains in the transformed businesses.

**5.3 Realisation of Increase in Book Value.** The Company has enhanced the value of the Disposal Interest over the past few years through continued investments in rebranding and refurbishments including approximately S\$23.0 million spent on refurbishment of the Hotel and the Retail Gallery in 2011 and 2012. This has resulted in an increase in book value of approximately S\$117 million in the value of the Disposal Interest from 2009 to 2012. The Proposed Transaction will allow the Company to realise this gain and unlock substantial value in the business. The book value as of 31 December 2012 is based on Directors' valuation which takes into account an external valuation dated 31 December 2011, prevailing market conditions at the time, and an indicative offer received by the Company for the Hotel and the Retail Gallery. The pricing factors of the Disposal Interest are as set out in **paragraph 4.4** above. The Vendors have also commissioned Knight Frank Pte Ltd to carry out an update desktop valuation of the Hotel and the Retail Gallery ("**Desktop Valuation**") in 2012. The Desktop Valuation was issued on 12 September 2012. Based on the Desktop Valuation, the open market value of the Hotel and the Retail Gallery was S\$302.0 million on 12 September 2012.

**5.4 Cash Proceeds and Recurring Income.** The Proposed Transaction will generate estimated net cash proceeds of S\$216.0 million (after deducting estimated transactional costs) and allow the Company to realise future upside in the Singapore hospitality sector and receive a steady flow of recurring income through its S\$68.0 million investment in the Consideration Securities. As stated in the Far East Hospitality Trust 1Q2013 Results, Far East H-REIT's distribution policy is to distribute 100% of Far East H-REIT's taxable income for the period from 27 August 2012 to 31 December 2013 and at least 90% of its taxable income thereafter. Based on this, the Company expects to receive a regular dividend from its investment in the Consideration Securities.

**5.5 Maximisation of Shareholders' Return.** The Company is constantly evaluating investment opportunities in various sectors and will target to deploy the net proceeds in investments that it deems to be value accretive so as to enhance Shareholders' interests.

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## LETTER TO SHAREHOLDERS

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### 6. VALUES OF THE PROPOSED TRANSACTION

#### 6.1 Values of the Disposal Interest

**6.1.1 Book Value.** Based on the STC Group 1Q2013 Results, the book value of the Disposal Interest is approximately S\$282.6 million.

**6.1.2 Asset Value.** Based on the STC Group 1Q2013 Results, the asset value of the Disposal Interest is approximately S\$282.6 million. Based on the Desktop Valuation, the open market value of the Disposal Interest was S\$302.0 million on 12 September 2012.

**6.1.3 Excess of Aggregate Consideration over Book Value.** Based on the book value of the Disposal Interest as set out in **paragraph 6.1.1** above, the amount of excess of the aggregate consideration received for the Proposed Transaction over the said book value is approximately S\$2.4 million.

**6.1.4 Net Loss and Estimated Gain from Proposed Disposal.** Based on the STC Group 1Q2013 Results, the loss before income tax, minority interests and extraordinary items attributable to the Disposal Interest is approximate S\$0.3 million. Based on the book value of the Disposal Interest as set out in **paragraph 6.1.1** above, the estimated gain from the Proposed Disposal is approximately S\$2.4 million<sup>1</sup>.

#### 6.2 Values of the Consideration Securities

**6.2.1 Book Value.** Based on the Far East Hospitality Trust 1Q2013 Results, the book value of the Consideration Securities is approximately S\$57.2 million<sup>2</sup>.

**6.2.2 Asset Value.** Based on the Far East Hospitality Trust 1Q2013 Results, the net tangible asset value of the Consideration Securities is approximately S\$57.2 million<sup>2</sup>.

**6.2.3 Open Market Value.** Based on the VWAP of the Stapled Securities transacted on the SGX-ST on 31 May 2013 (being the full market day immediately preceding the Latest Practicable Date on which the Stapled Securities were traded on the SGX-ST), the open market value of the Consideration Securities is approximately S\$61.1 million<sup>2</sup>.

**6.2.4 Net Profits.** Based on the Far East Hospitality Trust 1Q2013 Results, the profit before income tax, minority interests and extraordinary items attributable to the Consideration Securities for the quarter is approximately S\$0.7 million<sup>2</sup>.

**6.2.5 Source of Funds.** The consideration for the Consideration Securities will be satisfied by the Proposed Disposal.

### 7. PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The pro-forma financial effects of the Proposed Transaction are set out in the **Appendix**.

### 8. PROPOSED TRANSACTION AS A MAJOR TRANSACTION

**8.1 Proposed Disposal.** The relative figures for the Proposed Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual and based on the STC Group FY2012 Results are as follows<sup>3</sup>:

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<sup>1</sup> The estimated gain from the Proposed Disposal is before estimated transaction costs of S\$1.0 million.

<sup>2</sup> As the number of Consideration Securities will only be determined after the 10 Day Period, the values in **paragraph 6.2** of this Circular and the pro-forma financial effects of the Proposed Transaction in the **Appendix** assume that (i) the VWAP of the Stapled Securities will be S\$1.1375 (being the VWAP of the Stapled Securities on the Last Trading Date), and accordingly (ii) 59,780,219 Consideration Securities will be issued.

<sup>3</sup> The relative figures are based on the STC Group FY2012 Results, as set out in the Company's annual report for STC FY2012.

## LETTER TO SHAREHOLDERS

Rule 1006	Bases	Proposed Disposal (S\$ million)	STC Group (S\$ million)	Relative Figures (%)
(a)	The NAV of the assets of the Disposal Interest, compared with the STC Group's NAV <sup>(1)</sup> .	285.1	1,171.1	24.3
(b)	The net profit / (loss) attributable to the Disposal Interest, compared with the STC Group's net profit / (loss) <sup>(2)</sup> .	0.6	(95.0)	(0.6)
(c)	The aggregate value of the consideration received <sup>(3)</sup> , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares <sup>(4)</sup> .	285.0	1,501.4	19.0

**Notes:**

- (1) The NAV of S\$1,171.1 million was reported in the STC Group FY2012 Results.
- (2) Net profit / loss is defined as profit / loss before income tax, minority interests and extraordinary items. A net loss of S\$95.0 million was reported in the STC Group FY2012 Results.
- (3) For the purposes of this Circular, the aggregate consideration for the Proposed Disposal is S\$285.0 million, which comprises S\$217.0 million in cash and the Consideration Securities whose value is deemed to be S\$68.0 million. As highlighted in **paragraph 1.1.2** of this Circular, the parties to the Term Lease Agreement have agreed that S\$68.0 million of the aggregate consideration for the Proposed Disposal shall be satisfied by the allotment and issuance of Stapled Securities, the number of which would depend on the VWAP of the Stapled Securities during the 10 Day Period.
- (4) The market capitalisation has been calculated on the basis of 394,397,772 Shares in issue multiplied by the VWAP of the Shares transacted on 12 April 2013, being the Last Trading Date.

**8.2 Proposed Acquisition.** The relative figures for the Proposed Acquisition computed on the relevant bases set out in Rule 1006 of the Listing Manual and based on the STC Group FY2012 Results are as follows<sup>3</sup>:

Rule 1006	Bases	Proposed Acquisition (S\$ million)	STC Group (S\$ million)	Relative Figures (%)
(b)	The net profit / (loss) attributable to the Consideration Securities <sup>(1)</sup> , compared with the STC Group's net profit / (loss) <sup>(2),(3)</sup> .	6.2	(95.0)	(6.5)
(c)	The aggregate value of the consideration paid <sup>(4)</sup> , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares <sup>(5)</sup> .	68.0	1,501.4	4.5

**Notes:**

- (1) This assumes that 59,780,219 Consideration Securities will be issued on the basis that the VWAP of the Stapled Securities will be S\$1.1375 (being the VWAP of the Stapled Securities on the Last Trading Date).
- (2) Net profit / loss is defined as profit / loss before income tax, minority interests and extraordinary items. A net loss of S\$95.0 million was reported in the STC Group FY2012 Results.
- (3) In considering the pro-forma effects, the net profit attributable to the Proposed Acquisition has been annualised from the net profit reported in the Far East Hospitality Trust 2012 Results. This is because the Far East Hospitality Trust 2012 Results relates only to the financial period from 1 August 2012 to 31 December 2012.
- (4) For the purposes of this Circular, the aggregate consideration paid for the Consideration Securities is S\$68.0 million. As highlighted in **paragraph 1.1.2** of this Circular, the parties to the Term Lease Agreement have agreed that S\$68.0 million of the aggregate consideration for the Proposed Disposal shall be satisfied by the allotment and issuance of Stapled Securities, the number of which would depend on the VWAP of the Stapled Securities during the 10 Day Period.
- (5) The market capitalisation has been calculated on the basis of 394,397,772 Shares in issue multiplied by the VWAP of the Shares transacted on 12 April 2013, being the Last Trading Date.

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## LETTER TO SHAREHOLDERS

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**8.3 Classification.** In light of such relative figures set out above, the Proposed Transaction will be classified as a “major transaction” under Chapter 10 of the Listing Manual.

### 9. DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS

**9.1 Directors’ Interests.** Save as disclosed in this Circular, none of the Directors has any interest, direct or indirect, in the Proposed Transaction:

**9.1.1** Ms. Chew Gek Hiang has an interest in 300,000 Stapled Securities, representing approximately 0.02% of the total issued number of Stapled Securities<sup>4</sup>.

**9.2 Controlling Shareholders’ Interests.** Save as disclosed in this Circular, none of the controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction:

**9.2.1** Tecity Management Pte. Ltd., a related corporation of The Cairns Pte. Ltd. (being the controlling Shareholder of the Company), has an interest in 1,460,000 Stapled Securities, representing approximately 0.09% of the total issued number of Stapled Securities<sup>4</sup>.

### 10. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company or the Vendors in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company, the Vendors, and any such person.

### 11. DIRECTORS’ RECOMMENDATIONS

The Directors are of the opinion that the Proposed Transaction is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the Proposed Transaction to be proposed at the EGM.

### 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 20 to 21 of this Circular, will be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 10.30 a.m. for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

### 13. ACTION TO BE TAKEN BY SHAREHOLDERS

**13.1 Appointment of Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find enclosed in this Circular a Proxy Form which they are requested to complete, sign and return 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, not less than 48 hours before the time appointed 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.

**13.2 When Depositor regarded as Shareholder.** A depositor shall not be regarded as a Shareholder entitled to attend the EGM and vote thereat unless his name appears on the depository register at least 48 hours before the time appointed for the EGM.

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<sup>4</sup> Based on 1,608,768,939 total number of Stapled Securities in issue as at 31 March 2013, as disclosed in the Far East Hospitality Trust 1Q2013 Results.



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## LETTER TO SHAREHOLDERS

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### 14. INSPECTION OF DOCUMENTS

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

- (i) the Agreements;
- (ii) the memorandum and articles of association of the Company;
- (iii) the annual report of the Company for STC FY2012;
- (iv) the STC Group 1Q2013 Results; and
- (v) the Desktop Valuation.

### 15. RESPONSIBILITY STATEMENTS

**15.1 Directors' Responsibility.** 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 Transaction and the STC Group, 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.

**15.2 Standard Chartered Bank.** To the best of Standard Chartered Bank's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction and the STC Group, and it is not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully

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

Chew Gek Khim  
Executive Chairman  
10 June 2013

## APPENDIX

### PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

#### 1. Assumptions

The pro-forma financial effects of the Proposed Transaction on the NTA per Share, EPS, and the share capital of the Company are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the STC Group after completion of the Proposed Transaction. The pro-forma financial effects assume that 59,780,219 Consideration Securities will be issued and have been computed based on the STC Group FY2012 Results and the STC Group 1Q2013 Results.

#### 2. NTA – STC FY2012

For purely illustrative purposes only, assuming the Proposed Transaction had been effected on 31 December 2012, being the end of STC FY2012, the effect of the Proposed Transaction on the NTA per Share for STC FY2012, based on the STC Group FY2012 Results, would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
<b>NTA (S\$ million)</b>	1,110.0	1,135.7
<b>NTA per Share (S\$)<sup>(1)</sup></b>	3.41	3.48

**Note:**

<sup>(1)</sup> The figures are calculated based on 325,897,000 Shares in issue, being the number of outstanding Shares as of 31 December 2012.

#### 3. NTA – STC 1Q2013

For purely illustrative purposes only, assuming the Proposed Transaction had been effected on 31 March 2013, being the end of STC 1Q2013, the effect of the Proposed Transaction on the NTA per Share for STC 1Q2013, based on the STC Group 1Q2013 Results, would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
<b>NTA (S\$ million)</b>	1,327.4	1,355.6
<b>NTA per Share (S\$)<sup>(1)</sup></b>	3.37	3.44

**Note:**

<sup>(1)</sup> The figures are calculated based on 394,397,772 Shares in issue, being the number of outstanding Shares as of 31 March 2013.

#### 4. EPS – STC FY2012

For purely illustrative purposes only, assuming the Proposed Transaction had been effected on 1 January 2012, being the beginning of STC FY2012, the effect of the Proposed Transaction on the EPS for STC FY2012, based on the STC Group FY2012 Results, would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction <sup>(1)</sup>
<b>Profit after tax and minority interests (S\$ million)</b>	(55.2)	(52.4)
<b>Number of Shares (million)</b>	325.9	325.9
<b>EPS (cents)</b>	(16.95)	(16.07)

**Note:**

<sup>(1)</sup> Pro-forma effects with respect to the Proposed Transaction includes post tax dividend income from Far East Hospitality Trust attributable to the Consideration Securities which has been annualised from the dividend declared in the Far East Hospitality Trust 2012 Results.

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**APPENDIX**  
**PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION**

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**5. EPS – STC 1Q2013**

For purely illustrative purposes only, assuming the Proposed Transaction had been effected on 1 January 2013, being the beginning of STC 1Q2013, the effect of the Proposed Transaction on the EPS for STC 1Q2013, based on the STC Group 1Q2013 Results, would be as follows:

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>
<b>Profit after tax and minority interests (S\$ million) <sup>(1)</sup></b>	(0.3)	3.2
<b>Number of Shares (million)</b>	394.4	394.4
<b>EPS (cents) <sup>(1)</sup></b>	(0.07)	0.80

**Note:**

<sup>(1)</sup> Pro-forma effects with respect to the Proposed Transaction includes the estimated gain from the Proposed Disposal of S\$2.4 million and post tax dividend income of S\$0.7 million from Far East Hospitality Trust attributable to the Consideration Securities based on the Far East Hospitality Trust 1Q2013 Results.

**6. Share Capital**

The Proposed Transaction will not have any impact on the issued share capital of the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### THE STRAITS TRADING COMPANY LIMITED

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of The Straits Trading Company Limited ("**Company**") will be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following ordinary resolution:

#### THE PROPOSED TRANSACTION

RESOLVED THAT:

- (a) the proposed disposal ("**Proposed Disposal**") of Government Resurvey Lot 457K of Town Subdivision 11 together with the building erected thereon comprising a hotel component known as Rendezvous Grand Hotel Singapore ("**Hotel**") and a retail component known as Rendezvous Gallery, located at 9 Bras Basah Road, Singapore 189559 (the "**Property**") by Hotel Rendezvous Private Limited ("**HRPL**") and Rendezvous Properties Private Limited (collectively, the "**Vendors**"), subsidiaries of the Company, in the following manner:
- (i) the sale by the Vendors and the purchase by DBS Trustee Limited in its capacity as trustee of Far East Hospitality Real Estate Investment Trust ("**DBS Trustee**") of a 70 years lease ("**70 Years Lease**") of the Property, comprising a hotel component known as Rendezvous Grand Hotel Singapore and a retail component known as Rendezvous Gallery, and all plant, machinery, equipment and all component parts located in the Property excluding the furniture, fixtures, furnishings and equipment for use in the operation of the Hotel and equipment leased or loaned from third parties; and
- (ii) the sale by the Vendors and the purchase by Serene Land Pte Ltd ("**SLPL**") of the balance of the State Lease No. 20439 for a leasehold term of 99 years commencing from 30 March 1994, as supplemented by the indenture of supplemental lease dated 5 November 2012 (subject to the 70 Years Lease) and the undertaking in connection with HRPL's business of owning and operating the Hotel including, *inter alia*, the hotel contracts, the furniture, fixtures, furnishings and equipment for use in the operation of the Hotel, and the transfer of HRPL's employees to SLPL,

for an aggregate consideration of S\$285.0 million comprising S\$217.0 million in cash and S\$68.0 million by way of allotment and issuance of stapled securities in Far East Hospitality Trust ("**Consideration Securities**") to the Vendors (or their nominees), upon the terms and conditions set out in the sale and purchase agreements ("**Agreements**") dated 15 April 2013 entered into between, on the one hand, the Vendors and on the other hand, each of DBS Trustee and SLPL relating to the disposal of the entire leasehold interest of each Vendor in the Property, be and is hereby approved; and

- (b) the proposed acquisition ("**Proposed Acquisition**", and together with the Proposed Disposal, the "**Proposed Transaction**") of S\$68.0 million in Consideration Securities to be allotted and issued by Far East Hospitality Trust to the Vendors (or their nominees), being part of the consideration for the Proposed Disposal, be and is hereby approved; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the Directors of the Company and each of them 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, the Agreements, 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 Transaction and this Resolution.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei  
Company Secretary  
10 June 2013

**Notes:**

1. A member of the Company entitled to attend and vote at the extraordinary general meeting of the Company (“EGM”) is entitled to appoint not more than two proxies to attend and 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.

# THE STRAITS TRADING COMPANY LIMITED

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

## 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 No.	Proportion of Shareholdings	
			No. of Shares	%

and/or\*

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing such proxy/proxies\*, the Chairman of the extraordinary general meeting (“EGM”), as my/our\* proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf and, if necessary, to demand a poll at the EGM to be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 10.30 a.m., and at any adjournment thereof.

(Please indicate with a “✓” in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies\* will vote or abstain from voting as the proxy/proxies\* may think fit, as the proxy/proxies\* will on any other matter arising at the EGM.)

	To be used on a show of hands		To be used in the event of a poll	
	For	Against	No. of Votes For	No. of Votes Against
<b>Ordinary Resolution:</b> To approve the Proposed Transaction				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
or Common Seal of Corporate Shareholder

\* Delete accordingly

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**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 attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second-named proxy as an alternate to the first named.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company 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 the Articles of Association of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. 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 this form of proxy 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 instrument of proxy 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.
6. A member of the Company 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 of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. 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 members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time appointed for the EGM.
9. Agent banks acting on the request of investors who have purchased shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") who wish to attend the meeting as observers are required to submit in writing, a list with details of the CPF Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorized signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the EGM.